



Annual Financial Report



For the Fiscal Year Ended August 31, 2017

Auburn School District No. 408 915 4th Street NE, Auburn WA 98002

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Auburn School District No. 408
915 4th Street NE, Auburn WA 98002

Auburn School District No. 408
Annual Financial Report
For the Fiscal Year Ended August 31, 2017

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Financial Section

- **Management’s Discussion and Analysis**
- **Government-Wide Financial Statements**
- **Governmental Fund Financial Statements**
- **Fiduciary Fund Financial Statements**
- **Notes to the Financial Statements**
- **Required Supplementary Information**
- **Supplemental Data**



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Auburn School District No. 408, we offer readers of the district's generally accepted accounting principles (GAAP) this narrative overview and analysis of the financial activities of the district for the fiscal year ended August 31, 2017.

FINANCIAL HIGHLIGHTS

- The district's net position of governmental activities as of August 31, 2017 was \$182,201,400.
- During the year, the district had revenues that were \$11.2 million greater than the \$231.8 million in expenses incurred for all governmental activities.
- The general fund revenues exceeded expenditures by \$1,968,441.
- In November 2016, the Auburn community passed a \$456,056,000 bond to construct and equip two new elementary schools; rebuild and equip Chinook Elementary, Dick Scobee Elementary, Lea Hill Elementary, Pioneer Elementary, Terminal Park Elementary schools and Olympic Middle School. The funds may also be used to acquire sites as needed to accomplish these capital projects. In January 2017, the District issued the first UTGO bonds for \$90,535,000 of the authorized \$456,056,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts: an introductory section, a financial section, and a statistical section. The financial section includes the independent auditor's report, management's discussion and analysis, the basic financial statements and related notes to the financial statements.

The basic financial statements consist of a series of statements that present different financial views of the district:

- The first two statements are *district-wide financial statements* that provide both short-term and long-term information about the district's overall financial status and activities. For district activities, these statements tell how these services were financed in the short term as well as what remains for future spending.
- All of the remaining statements are *fund financial statements* that report district operations in more detail by providing information about the district's most significant funds. Information is also provided about activities for which the district acts solely as a trustee for the benefit of those outside of the government.

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements are designed to provide a broad overview of district finances, similar to a private-sector business. The *statement of net position* presents information on all of the assets and liabilities of the district. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying financial event takes place, regardless of when the cash is actually received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash receipts or disbursements in future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All district funds can be divided into two categories: governmental funds and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds account for essentially the same functions reported as governmental activities in the *district-wide financial statements*. However, unlike these statements, *governmental fund financial statements* focus on how money flows into and out of the funds and the balances left at year-end that are available to spend. These funds use an accounting method called *modified accrual accounting* which measures cash and all other financial assets that can easily be converted to cash. Such information may be useful in evaluating the district's ability to finance the district's educational programs and support operations in the near future.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *district-wide financial statements*. By doing so, readers may better understand the long-term impact of the district's near-term financing decisions. Both the governmental fund *balance sheet* and the governmental fund *statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the *governmental fund statement of revenues, expenditures and changes in fund balance* for the General Fund, Associated Student Body (ASB) Fund, Capital Projects Fund, Transportation Vehicle Fund and the Debt Service Fund, all of which are considered major funds.

FIDUCIARY FUNDS

The district is the trustee or fiduciary, for individuals, private organizations and other governments for scholarships. All of the district's fiduciary activities are reported in a separate *statement of fiduciary net position and changes in fiduciary net position* under the fiduciary financial statement section. These activities are excluded from the district's other financial statements because the district cannot use these assets to finance its operations. The district is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION

The financial statements of the district present an increased financial position as reflected in the statement of net position. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash was received or paid.

These statements report the district's net position and changes in them. The district's net position (the difference between assets and liabilities/deferred inflows) may be viewed as one way to measure the district's financial health or financial position.

Auburn School District's assets exceeded liabilities by \$182,201,400 at the end of the fiscal year, August 31, 2017.

The **INCREASE** in total net position for the year was \$11,227,716. Key elements of this increase are as follows:

| Auburn School District's Net Position | | | |
|--|--------------------------------|-----------------------------|----------------------------|
| August 31, 2017 and 2016 | | | |
| | Governmental Activities | | |
| | 2017 | 2016 | Change |
| Current and other assets | \$219,005,561 | \$109,121,201 | \$ 109,884,360 |
| Capital assets | 329,720,994 | 344,672,286 | (14,951,292) |
| Deferred charges on refunding | 3,430,077 | 3,939,095 | (509,018) |
| Deferred outflows on pensions | 8,532,822 | 12,896,195 | (4,363,373) |
| Total Assets & Deferred Outflows | <u>\$560,689,454</u> | <u>\$470,628,777</u> | <u>\$90,060,677</u> |
| | | | - |
| Other liabilities | 6,951,592 | 5,140,630 | 1,810,962 |
| Long-term debt outstanding | 360,090,875 | 292,788,400 | 67,302,475 |
| Deferred inflows on pensions | 11,445,587 | 1,726,063 | 9,719,524 |
| Total Liabilities & Deferred Inflows | <u>378,488,054</u> | <u>299,655,093</u> | <u>78,832,961</u> |
| | | | - |
| Net Position | | | - |
| Net investment in capital assets | 75,661,958 | 181,169,526 | (105,507,568) |
| Restricted | 142,021,982 | 45,415,030 | 96,606,952 |
| Unrestricted | (35,482,540) | (55,610,872) | 20,128,332 |
| Total Net Position | <u><u>\$182,201,400</u></u> | <u><u>\$170,973,684</u></u> | <u><u>\$11,227,716</u></u> |

The largest portion of the Auburn School District's net position (59 %) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Auburn School District uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although, the Auburn School District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Auburn School District's net position (78 %) represents resources that are subject to external restrictions on how they may be used.

STATEMENT OF ACTIVITIES

Governmental activities improved the district’s overall financial position, increasing the district’s net position by \$11,227,716. Key elements of the increase are as follows:

| AUBURN SCHOOL DISTRICT'S Changes in Net Position | | | |
|---|-----------------------|-----------------------|----------------------|
| Governmental Activities | | | |
| For the Fiscal Years Ended August 31, 2017 and 2016 | | | |
| <u>Revenues</u> | 2017 | 2016 | Changes |
| Program Revenues | | | |
| Charges for services | \$5,893,554 | \$ 5,587,997 | \$ 305,557 |
| Operating grants and contributions | 44,786,220 | 52,682,617 | (7,896,397) |
| Capital grants and contributions | 3,681,477 | 3,119,462 | 562,015 |
| General revenues | | | |
| Property taxes for levies for educational programs | 40,881,803 | 39,871,612 | 1,010,191 |
| Property taxes for levies for debt service | 31,189,580 | 17,250,630 | 13,938,950 |
| Property taxes for levies for capital improvements and technology | 3,594,153 | 1,263,161 | 2,330,992 |
| Unallocated state apportionment and other | - | - | - |
| Interest and investment earnings | 112,003,798 | 104,950,853 | 7,052,945 |
| Interest and investment earnings | 1,070,165 | 580,856 | 489,309 |
| Total Revenues | <u>243,100,750</u> | <u>225,307,188</u> | <u>17,793,562</u> |
| <u>Expenses</u> | | | |
| Regular instruction | 133,818,795 | 120,063,554 | 13,755,241 |
| Special instruction | 25,948,721 | 24,574,378 | 1,374,343 |
| Vocational instruction | 7,363,356 | 7,084,268 | 279,088 |
| Compensatory education | 16,102,382 | 15,168,627 | 933,756 |
| Other instructional programs | 1,015,936 | 1,120,813 | (104,877) |
| Community services | 1,011,670 | 1,075,778 | (64,108) |
| Support services | 22,225,468 | 20,286,010 | 1,939,458 |
| Child nutrition services | 6,294,914 | 6,107,915 | 186,999 |
| Pupil transportation services | 8,109,756 | 7,732,771 | 376,985 |
| Extracurricular activities (ASB) | 2,132,581 | 2,333,145 | (200,564) |
| Interest on long-term debt | 7,377,844 | 5,696,997 | 1,680,847 |
| Bond issuance costs | 471,611 | - | 471,611 |
| Total Expenses | <u>231,873,034</u> | <u>211,244,255</u> | <u>20,628,779</u> |
| Increase (decrease) in Net Position | 11,227,716 | 14,062,933 | (2,835,217) |
| Beginning Net Position | 170,973,684 | 156,778,296 | 14,195,388 |
| Other Prior Period Adjustments | - | 132,455 | (132,455) |
| Ending Net Position | <u>\$ 182,201,400</u> | <u>\$ 170,973,684</u> | <u>\$ 11,227,716</u> |

The largest revenue increase of \$13.9 million was the increase in property tax levies for the current year bond issue of \$90.5 million. Also, the increase in general apportionment is due to an increase in enrollment.

The largest revenue decrease of slightly under \$7.9 million is in operating grants and contributions. This is due to the differences between the calendars levy year and the district fiscal year as well as the differences between accrual and cash basis accounting account for the lack of accrual revenue for fiscal 2016.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The focus of the district's *governmental funds* is to provide information on short-term cash inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's net resources available for spending at the end of the fiscal year.

As the district completed the fiscal year, its governmental funds (as presented in the balance sheets in the Governmental Fund Financial Statement section) reported a combined fund balance of \$169,177,083 and increase of \$99,084,188 over the prior year combined fund balance of \$70,092,896. This change is primarily the result of the \$90.5 million bond issue in January 2017. The increase in enrollment also helped revenues exceed expenditures in the general fund.

GENERAL FUND

The General Fund is the major operating fund of the district, providing the majority of the resources for educational programs and support operations.

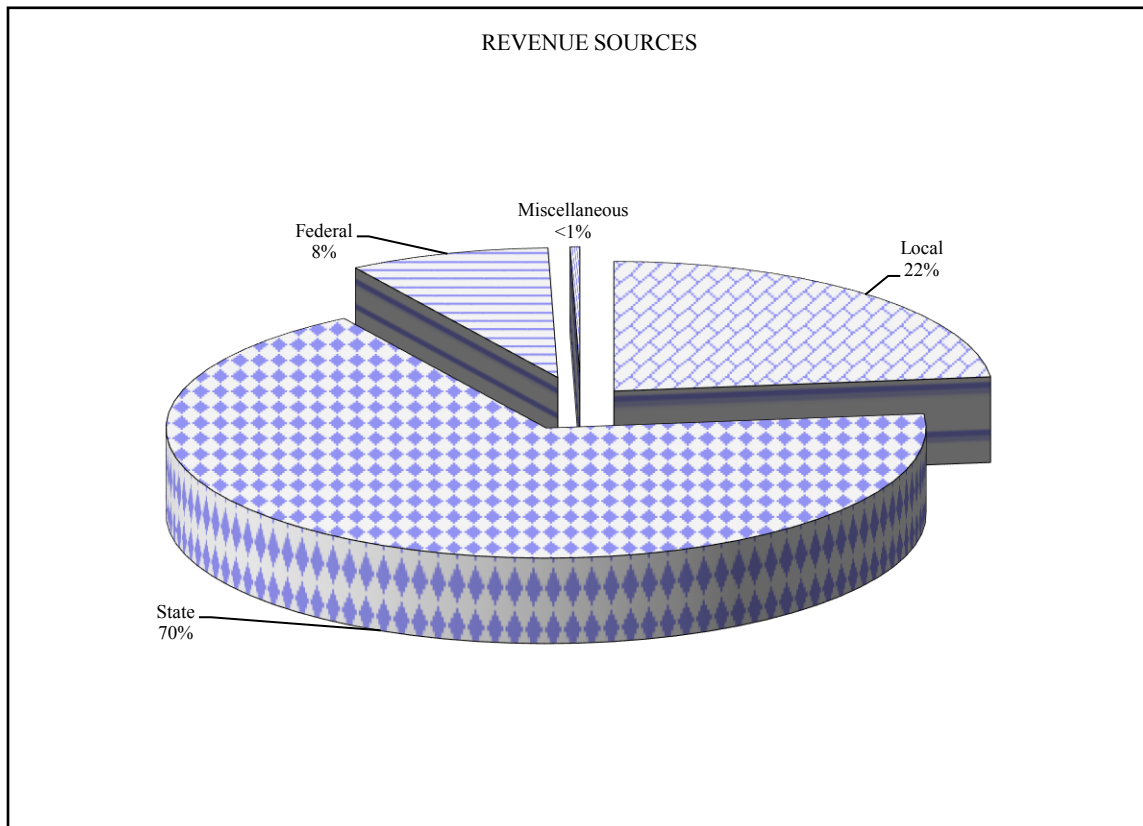
GENERAL FUND REVENUES

Revenues for the General Fund totaled \$199,870,490 in the fiscal year ending August 31, 2017. This was \$10,998,095 or 5.8% more than the prior year. The State of Washington provides over 70% or the largest portion of the District's revenue. Local revenues from local property taxes, and local fees and charges account for over 22% of total revenues. Federal grants provide just over 8% of revenue.

GENERAL FUND REVENUES

| <u>Revenue Source</u> | 2016-17 | 2015-16 | Increase (Decrease) Amount | Increase (Decrease) Percent |
|------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------------------|
| Local Taxes & Non-taxes | \$44,193,153 | \$ 41,818,590 | \$ 2,374,563 | 5.68% |
| State Revenues | 139,023,834 | 130,555,954 | 8,467,881 | 6.49% |
| Federal Revenues | 15,802,649 | 15,788,644 | 14,005 | 0.09% |
| Other Revenues | 850,854 | 709,208 | 141,646 | 19.97% |
| Totals | \$ 199,870,490 | \$ 188,872,396 | \$ 10,998,095 | 5.82% |

The increase of \$8,467,881 state revenues is due to an increase in enrollment, additional MSOC funding.



GENERAL FUND EXPENDITURES

Expenditures in the General Fund totaled \$197,902,049 for the fiscal year. This represents an increase of \$12,947,485 or 7% over the prior year.

| <u>GENERAL FUND EXPENDITURES</u> | 2016-17 | 2015-16 | Increase (Decrease) Amount | Increase (Decrease) Percent |
|---|----------------------|-----------------------|----------------------------------|-----------------------------------|
| Current | | | | |
| Regular Instruction | \$113,800,902 | \$105,595,810 | \$ 8,205,092 | 7.77% |
| Special Education | 24,684,257 | 23,339,986 | 1,344,271 | 5.76% |
| Vocational Instruction | 6,866,517 | 6,622,913 | 243,604 | 3.68% |
| Compensatory Education | 15,161,857 | 14,286,026 | 875,831 | 6.13% |
| Other Instructional Programs | 881,152 | 1,057,625 | (176,473) | -16.69% |
| Community Services | 971,631 | 1,044,885 | (73,254) | -7.01% |
| Support Services | 21,495,127 | 19,492,151 | 2,002,976 | 10.28% |
| Child Nutrition Services | 6,206,085 | 6,011,583 | 194,502 | 3.24% |
| Pupil Transportation Services | 7,185,911 | 6,878,537 | 307,374 | 4.47% |
| Capital Outlay | | | | |
| Equipment | 648,612 | 625,048 | 23,564 | 3.77% |
| Totals | \$197,902,049 | \$ 184,954,564 | \$ 12,947,485 | 7.00% |

Increases of \$8.2 million in state funded regular instructional expenditures, \$1,344,271 in special education instructional expenditures and \$243,604 in vocational instruction were the result of increased student enrollments.

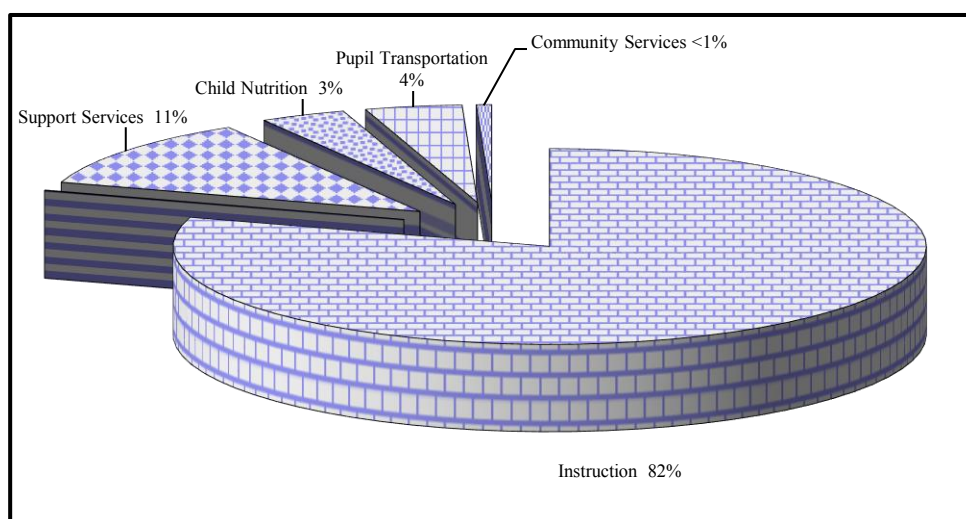
Compensatory education expenditures increased by \$875,831 due to increased federal dollars for Title I programs and increased state dollars for the state counterpart of Title I known as Learning Assistance (LAP). In addition, a continuing growing enrollment of students for whom English is not their first language generated additional state assistance to meet their educational needs.

Child Nutrition cost's increased by \$194,502 last year due to the new federal nutrition guidelines. New guidelines define what types of ingredients the District can purchase, and ultimately serve for student meals.

Pupil Transportation costs increased by 4.47% or \$307,374 during the year. The increase was due to hiring additional staff to transport increasing enrollment.

Special Education expenditures increase by \$1,344,271 during the year. Increased costs occurred due to an increased need to provide services for a growing special needs student population.

EXPENDITURE USES



MAJOR FUND BUDGETARY HIGHLIGHTS

Appropriations are a prerequisite to expenditures in the governmental funds. Appropriations lapse at the end of the fiscal year. The fiscal year 2016-17 budget adopted by the Board of Directors for the district totaled \$267,717,533 including General Fund appropriations of \$209,728,203, Special Revenue Fund (ASB) appropriations of \$4,697,747, Debt Service Fund appropriations of \$18,111,583 Capital Projects Fund appropriations of \$32,920,000 and Transportation Vehicle Fund appropriations totaling \$2,260,000.

Reasons for the significant variances in the general fund between the budget and actual results include:

- Total actual general fund revenues were \$2,305,267 less than budgeted. Almost all of that decrease was due to an over estimation of local non tax revenue received.
 - This total includes \$284,592 of NBN premiums from plan members and \$1,346 in NBN interest earnings, as well as the net fair market value adjustments of negative \$47,110.
- Total actual general fund expenditures were \$11,826,154 less than budgeted as a result of conservative budget practices.
 - This total includes \$255,932 of NBN expenses

Reasons for the significant variances in the capital projects fund between the budget and actual results include:

- State revenues were \$9,790,336 less than budgeted due to the District receiving less in state match revenue due to the Auburn High School project winding down.
- Expenditures were \$22,636,581 less than budgeted. Expenditures are largely based on the progress of the Auburn High School re model project.
- Revenues were less than projected in the Associated Study Body Fund by approximately \$2.4 million and expenditures were less than projected by \$2.5 million. Students and their adult advisors did an outstanding job of living within their budget.
- Transportation Vehicle expenditures were \$913,925 less than projected due to delayed plans to replace aging buses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's investment in capital assets for its governmental type activities as of August 31, 2017 amounted to \$326,316,114 (net of accumulated depreciation of \$128,473,813). This investment in capital assets includes land, buildings, land and building improvements, furniture and equipment.

During the fiscal year, \$19,985,552 was added to buildings for improvements that met the capitalization policy of \$100,000. In addition, \$2,044,158 was added to equipment that met the capitalization policy of \$5,000 per unit, and \$22,278,546 was taken out from construction in progress primarily for projects finalized. Disposed buildings and equipment that originally cost \$20,719,068 and \$130,636 were removed from the books along with the appropriate accumulated depreciation of \$14,155,707 and \$106,223, creating a net loss on disposal of \$6,587,774. Equipment items with a market value were sent to the State of Washington Surplus Property Department to be sold at auction. All other items were sent to the King County Refuse Station.

See Note 4, Changes in Capital Assets, for more information.

| CAPITAL ASSETS | | | |
|--------------------------|-----------------------|---------------------------------|-----------------------|
| | Capital Assets | Accumulated Depreciation | Net |
| Land | \$42,135,223 | \$ (463,631) | 41,671,592 |
| Building & Improvements | 390,934,271 | (111,834,583) | 279,099,688 |
| Equipment | 21,720,433 | (16,175,599) | 5,544,834 |
| Construction In Progress | 3,404,879 | - | 3,404,879 |
| Total | \$458,194,807 | \$ (128,473,813) | \$ 329,720,994 |

DEBT ADMINISTRATION

At the end of the current fiscal year, the district had \$235,650,000 in unlimited general obligation bonds outstanding. This debt is secured by a pledge of the full faith and credit of the district. \$19,210,000 of that debt is due within the next twelve months.

The Washington State Constitution and the Revised Code of Washington 39.36.015 and 39.36.020 limit the amount of general obligation (GO) debt that may be issued. With a vote of the people, debt cannot be incurred in excess of 5% of the value of the taxable property of the district, provided the indebtedness in excess of 2.5% is for capital outlay. For the fiscal year ended August 31, 2017, the maximum GO debt authorized by statutory limit was \$544 million. The district had \$235,650,000 of debt outstanding at August 31, 2017, which was subject to that limitation. With \$12.4 million of assets in the Debt Service Fund available for payment of principal, there is a legal debt margin of \$320.7 million.

The district's most recent underlying bond rating from Moody's is Aa2.

See Note 8, Long-Term Liabilities, for more information.

NEXT YEAR'S APPROPRIATIONS AND BUDGET RATES

The 2016-17 appropriations for governmental funds of the district were approved at \$264,802,813, a decrease of 3% from total appropriations of \$273,109,977 million last year.

Property tax rates of \$6.30 per \$1,000 were projected for 2018, consistent with the 2017 actual tax rates of \$6.74 per \$1,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide the district's citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, visit www.auburn.wednet.edu or contact

Troy Dammell
Executive Director of Business Services
Auburn School District No. 408
915 4th Street NE
Auburn, WA 98002

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities.

These statements report all financial and capital resources of the primary government as a whole, except for the fiduciary funds of the primary government.

The Statement of Activities presents governmental activities by function, at the level of detail required in the governmental fund statement of revenues, expenditures and changes in fund balances.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting.



AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF NET POSITION
August 31, 2017

| | | Primary Government |
|--|-------------|-------------------------|
| | Note # | Governmental Activities |
| ASSETS | | |
| Cash and cash equivalents | 1.E.1 and 2 | \$ 169,892,027 |
| Property tax receivable | 1.E.2 | 44,775,968 |
| Receivables, net | 1.E.3 | 656,261 |
| Due from other governments | 1.E.5 | 2,813,103 |
| Inventories | 1.E.6 | 868,201 |
| Capital assets, net of accumulated depreciation, where applicable: | | |
| Land | 4 | 41,671,592 |
| Buildings & Improvements | | 279,099,688 |
| Equipment | | 5,544,834 |
| Construction in Progress | 5 | 3,404,879 |
| TOTAL ASSETS | | 548,726,554 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charge on refunding | | 3,430,077 |
| Pension Plan Experience Difference | 6 | 5,178,119 |
| Pension Plan Assumption Changes | 6 | 252,363 |
| Pension Plan Changes in Proportions | 6 | 450,286 |
| Pension Plan Contributions | 6 | 2,652,053 |
| TOTAL DEFERED OUTFLOWS OF RESOURCES | | 11,962,899 |
| LIABILITIES | | |
| Accounts payable | | 4,029,982 |
| Accrued wages and benefits payable | | 424,429 |
| Due to other governments | | 37,874 |
| Accrued interest | | 2,242,948 |
| Unearned revenue | 1.E.9 | 216,360 |
| Net Pension Liability | 8 | 82,526,959 |
| Long-Term liabilities | | |
| Due within one year | 8 | 21,064,519 |
| Due in more than one year | | 256,499,396 |
| TOTAL LIABILITIES | | 367,042,467 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Plan Investment Earnings & Charges in Proportion (net difference) | 6 | 9,790,905 |
| Pension Plan Experience Difference | 6 | 755,725 |
| Pension Plan Changes in Proportions | 6 | 898,957 |
| TOTAL DEFERED INFLOWS OF RESOURCES | | 11,445,587 |
| NET POSITION | | |
| Net investment in capital assets | | 75,661,958 |
| Restricted for: | | |
| Child nutrition services | | 3,264,119 |
| Carryovers | | 238,785 |
| Student activities | | 1,568,888 |
| Debt service | | 12,411,281 |
| Capital projects | | 100,047,401 |
| State Proceeds | | 21,988,072 |
| Acquisition of school buses | | 2,503,434 |
| Unrestricted | | (35,482,540) |
| TOTAL NET POSITION | | \$ 182,201,400 |

The notes to the basic financial statements are an integral part of this statement.

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2017

| Functions/Programs | Expenses | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION |
|--------------------------------------|-----------------------|------------------------|--|--|--|
| | | Charges for Service | Operating Grants and Contributions | Capital Grants and Contributions | PRIMARY GOVERNMENT |
| | | | | | Governmental Activities |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| Regular Instruction | \$ 133,818,795 | \$ 505,780 | \$ 335,260 | \$ 2,952,431 | \$ (130,025,324) |
| Special Instruction | 25,948,721 | - | 15,506,752 | - | (10,441,969) |
| Vocational Instruction | 7,363,356 | 78,012 | 151,895 | - | (7,133,449) |
| Compensatory Education | 16,102,382 | - | 15,131,179 | - | (971,204) |
| Other Instructional Programs | 1,015,936 | 158,225 | 1,688,564 | - | 830,853 |
| Community Services | 1,011,670 | 544,079 | - | - | (467,591) |
| Support Services | 22,225,468 | 631,460 | - | - | (21,594,008) |
| Child Nutrition Services | 6,294,914 | 1,708,796 | 5,929,906 | - | 1,343,788 |
| Pupil Transportation Services | 8,109,756 | - | 6,042,664 | 729,046 | (1,338,046) |
| Extracurricular Activities (ASB) | 2,132,581 | 2,267,201 | - | - | 134,621 |
| Interest Expense on Long-Term Debt | 7,377,844 | - | - | - | (7,377,844) |
| Bond Issuance Costs | 471,611 | - | - | - | (471,611) |
| Total Governmental Activities | \$ 231,873,033 | \$ 5,893,554 | \$ 44,786,220 | \$ 3,681,477 | \$ (177,511,782) |

General Revenues:

Taxes:

| | |
|--|-------------|
| Property taxes, levies for educational and other programs | 40,881,803 |
| Property taxes, levies for debt service | 31,189,580 |
| Property taxes, levies for capital improvements and technology | 3,594,153 |
| Unallocated State Apportionment & Others | 112,003,798 |
| Interest and Investment earnings | 1,070,165 |

Total General Revenues and Special Items**188,739,498****Changes in Net Position****11,227,716****Net Position - Beginning****170,973,684****Net Position - Ending****\$ 182,201,400**

The notes to the basic financial statements are an integral part of this statement.

Governmental Fund Financial Statements

The governmental fund financial statements consist of major governmental funds:

1. General Fund
2. Special Revenue Fund
(Associated Student Body)
3. Debt Service Fund (Bond Fund)
4. Capital Projects Fund
5. Transportation Vehicle Fund

The governmental funds focus primarily on the sources, uses and balances of current financial resources and the modified accrual basis of accounting.



AUBURN SCHOOL DISTRICT NO. 408
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2017

| | GENERAL FUND | SPECIAL REVENUE FUND (ASB) | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TRANSPORTATION VEHICLE FUND | TOTAL GOVERNMENTAL FUNDS |
|--|----------------------|-------------------------------|----------------------|--------------------------|--------------------------------|--------------------------------|
| ASSETS: | | | | | | |
| Cash and Cash Equivalents | \$ 15,178,642 | \$ 1,868,895 | \$ 12,406,426 | \$ 137,935,696 | \$ 2,502,368 | \$ 169,892,027 |
| Property Tax Receivable | 19,970,981 | - | 13,954,569 | 1,835,264 | (50) | 35,760,765 |
| Accounts Receivable, Net | 494,237 | - | - | - | - | 494,237 |
| Interest Receivable | 16,779 | 1,503 | 11,577 | 130,475 | 1,690 | 162,024 |
| Interfund Receivable | 34,386 | - | - | - | - | 34,386 |
| Due From Other Government Units | 2,489,495 | - | - | 323,608 | - | 2,813,103 |
| Inventories at Cost | 867,014 | 1,187 | - | - | - | 868,201 |
| TOTAL ASSETS | 39,051,536 | 1,871,586 | 26,372,572 | 140,225,042 | 2,504,009 | 210,024,744 |
| LIABILITIES: | | | | | | |
| Accounts Payable | 1,957,909 | 84,927 | 6,722 | 1,980,425 | - | 4,029,982 |
| Accrued Liabilities | 424,429 | - | - | - | - | 424,429 |
| Due to Other Governments | 15,009 | 980 | - | 21,261 | 624 | 37,874 |
| Interfund Payable | - | 3,703 | - | 30,683 | - | 34,386 |
| Unearned Revenue-Other | 405 | 211,901 | - | 4,054 | - | 216,360 |
| TOTAL LIABILITIES | 2,397,752 | 301,511 | 6,722 | 2,036,423 | 624 | 4,743,031 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable Revenue-Property Taxes | 19,970,981 | - | 13,954,569 | 1,835,264 | (50) | 35,760,765 |
| Unavailable Revenue - Other | 343,865 | - | - | - | - | 343,865 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 20,314,846 | - | 13,954,569 | 1,835,264 | (50) | 36,104,630 |
| FUND BALANCES: | | | | | | |
| Nonspendable: Inventories | 867,014 | 1,187 | - | - | - | 868,201 |
| Restricted: | | | | | | |
| Child Nutrition Federal Grant | 3,264,119 | - | - | - | - | 3,264,119 |
| Carryovers | 238,785 | - | - | - | - | 238,785 |
| Student Activities | - | 1,568,888 | - | - | - | 1,568,888 |
| Debt Service | - | - | 12,411,281 | - | - | 12,411,281 |
| Bond Issue Project | - | - | - | 99,410,281 | - | 99,410,281 |
| Impact Fee Projects | - | - | - | 637,120 | - | 637,120 |
| State Proceeds | - | - | - | 21,988,072 | - | 21,988,072 |
| Acquisition of School Buses | - | - | - | - | 2,503,434 | 2,503,434 |
| Committed: | | | | | | |
| Capital Levy Projects | - | - | - | 5,086,255 | - | 5,086,255 |
| Technology Levy Projects | - | - | - | (627,309) | - | (627,309) |
| Held for Employee Benefits | 185,950 | - | - | - | - | 185,950 |
| Assigned: | | | | | | |
| Other Capital Projects | - | - | - | 9,858,936 | - | 9,858,936 |
| Other Purposes | 2,100,000 | - | - | - | - | 2,100,000 |
| Unassigned | 9,683,068 | - | - | - | - | 9,683,068 |
| TOTAL FUND BALANCES | 16,338,938 | 1,570,075 | 12,411,281 | 136,353,355 | 2,503,434 | 169,177,083 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 39,051,536 | \$ 1,871,586 | \$ 26,372,572 | 140,225,042 | \$ 2,504,009 | \$ 210,024,744 |

The notes to the basic financial statements are an integral part of this statement.

AUBURN SCHOOL DISTRICT NO. 408
RECONCILIATION
BALANCE SHEET WITH THE STATEMENT OF NET POSITION
August 31, 2017

| | Total Governmental Funds | Long-Term Assets, Liabilities * | Reclassifications and Eliminations* | Statement of Net Position Totals |
|--|-------------------------------------|--|--|---|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 169,892,027 | \$ - | \$ - | \$ 169,892,027 |
| Property Tax Receivable | 35,760,765 | 9,015,203 | - | 44,775,968 |
| Receivables, Net | 494,237 | - | - | 494,237 |
| Interest Receivable | 162,024 | - | - | 162,024 |
| Interfund Receivable | 34,386 | - | (34,386) | - |
| Due from Other Governments | 2,813,103 | - | - | 2,813,103 |
| Inventories | 868,201 | - | - | 868,201 |
| Capital Assets, Net | - | 329,720,994 | - | 329,720,994 |
| TOTAL ASSETS | 210,024,744 | 338,736,197 | (34,386) | 548,726,555 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Charge on Refunding | - | 3,430,077 | - | 3,430,077 |
| Pension Plan Experience Difference | - | 5,178,119 | - | 5,178,119 |
| Pension Plan Assumption Changes | - | 252,363 | - | 252,363 |
| Pension Plan Changes in Proportions | - | 450,286 | - | 450,286 |
| Pension Plan Contributions | - | 2,652,053 | - | 2,652,053 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | - | 11,962,899 | - | 11,962,899 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | 210,024,744 | 350,699,096 | (34,386) | 560,689,454 |
| LIABILITIES | | | | |
| Accounts Payable | 4,029,982 | - | - | 4,029,982 |
| Accrued Liabilities | 424,429 | - | - | 424,429 |
| Due to Other Governments | 37,874 | - | - | 37,874 |
| Interfund Payable | 34,386 | - | (34,386) | - |
| Accrued Interest | - | 2,242,948 | - | 2,242,948 |
| Unearned Revenue-Other | 216,360 | - | - | 216,360 |
| Long-Term Liabilities - Pension | - | 82,526,959 | - | 82,526,959 |
| Long-Term Liabilities - Non Pension | - | 277,563,914.76 | - | 277,563,915 |
| TOTAL LIABILITIES | 4,743,031 | 362,333,822 | (34,386) | 367,042,466 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue-Property Taxes | 36,104,630 | (36,104,630) | - | - |
| Pension Plan Investment Earnings & Charges in Proportion (net difference) | - | 9,790,905 | - | 9,790,905 |
| Pension Plan Experience Difference | - | 755,725 | - | 755,725 |
| Pension Plan Changes in Proportions | - | 898,957 | - | 898,957 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 36,104,630 | (24,659,044) | - | 11,445,587 |
| FUND BALANCES | | | | |
| Total Fund Balances | 169,177,083 | 13,024,317.85 | - | 182,201,401 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 210,024,744 | \$ 350,699,096 | \$ (34,386) | \$ 560,689,454 |

The notes to the basic financial statements are an integral part of this statement.

* See Note 10A

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

| | GENERAL FUND | SPECIAL REVENUE FUND (ASB) | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TRANSPORTATION VEHICLE FUND | TOTAL GOVERNMENTAL FUNDS |
|---|----------------------|----------------------------|----------------------|-----------------------|-----------------------------|--------------------------|
| REVENUES | | | | | | |
| Local Taxes | \$ 39,625,784 | \$ - | \$ 22,602,324 | \$ 3,667,880 | \$ 1 | \$ 65,895,988 |
| Local Non-Tax | 4,567,368 | 2,280,054 | 58,332 | 3,789,910 | 12,093 | 10,707,758 |
| State, General Purpose | 110,895,901 | - | - | - | - | 110,895,901 |
| State, Special Purpose | 28,127,933 | - | - | 209,664 | 729,046 | 29,066,643 |
| Federal, General Purpose | 4,636 | - | - | - | - | 4,636 |
| Federal, Special Purpose | 15,798,013 | - | - | - | - | 15,798,013 |
| Revenues From Other Sources | 848,264 | - | - | - | 111,408 | 959,672 |
| TOTAL REVENUES | 199,867,900 | 2,280,054 | 22,660,656 | 7,667,454 | 852,548 | 233,328,612 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Regular Instruction | 113,800,902 | - | - | - | - | 113,800,902 |
| Special Instruction | 24,684,257 | - | - | - | - | 24,684,257 |
| Vocational Instruction | 6,866,517 | - | - | - | - | 6,866,517 |
| Compensatory Education | 15,161,857 | - | - | - | - | 15,161,857 |
| Other Educational Programs | 881,152 | - | - | - | - | 881,152 |
| Community Services | 971,631 | - | - | - | - | 971,631 |
| Support Services | 21,495,127 | - | - | - | - | 21,495,127 |
| Child Nutrition Services | 6,206,085 | - | - | - | - | 6,206,085 |
| Pupil Transportation Services | 7,185,911 | - | - | - | - | 7,185,911 |
| Extracurricular Activities (ASB) | - | 2,163,637 | - | - | - | 2,163,637 |
| Debt Service: | | | | | | |
| Principal | - | - | 10,635,000 | - | - | 10,635,000 |
| Interest and Other Charges | - | - | 7,473,583 | - | - | 7,473,583 |
| Bond Issuance Costs | - | - | - | 471,611 | - | 471,611 |
| Capital Outlay: | | | | | | |
| Sites | - | - | - | 52,117 | - | 52,117 |
| Buildings | - | - | - | 6,817,239 | - | 6,817,239 |
| Equipment | 648,612 | - | - | 2,746,338 | 1,346,075 | 4,741,025 |
| Energy | - | - | - | 196,113 | - | 196,113 |
| TOTAL EXPENDITURES | 197,902,049 | 2,163,637 | 18,108,583 | 10,283,419 | 1,346,075 | 229,803,762 |
| Excess of Revenues Over (Under) Expenditures | 1,965,851 | 116,417 | 4,552,073 | (2,615,965) | (493,527) | 3,524,850 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds of Long-Term Debt | - | - | - | 90,535,000 | - | 90,535,000 |
| Issuance of Bonds | - | - | - | - | - | - |
| Issuance Premium | - | - | 1,237 | 5,020,511 | - | 5,021,748 |
| Payment to Refunded Bonds Escrow Agent | - | - | - | - | - | - |
| Sale of Equipment | 2,590 | - | - | - | - | 2,590 |
| TOTAL OTHER FINANCING SOURCES (USES) | 2,590 | - | 1,237 | 95,555,511 | - | 95,559,338 |
| NET CHANGE IN FUND BALANCE | 1,968,441 | 116,417 | 4,553,311 | 92,939,546 | (493,527) | 99,084,188 |
| Fund Balances - September 1 | 14,370,497 | 1,453,658 | 7,857,971 | 43,413,809 | 2,996,961 | 70,092,896 |
| Fund Balances - August 31 | \$ 16,338,938 | \$ 1,570,075 | \$ 12,411,281 | \$ 136,353,355 | \$ 2,503,434 | \$ 169,177,083 |

The notes to the basic financial statements are an integral part of this statement.

AUBURN SCHOOL DISTRICT NO. 408
RECONCILIATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATEMENT OF ACTIVITIES

August 31, 2017

| | Total Governmental Funds | Long-Term Revenue, Expenses * | Capital Related items * | Long-Term Debt Transactions * | Statement of Activities Totals |
|---|--------------------------------|-------------------------------------|----------------------------|----------------------------------|-----------------------------------|
| REVENUES AND OTHER SOURCES | | | | | |
| Property Taxes | \$ 65,895,988 | \$ 9,769,547 | \$ - | \$ - | \$ 75,665,536 |
| Local Non-Taxes | 10,707,758 | - | 2,590 | - | 10,710,348 |
| State, General Purpose | 110,895,901 | - | - | - | 110,895,901 |
| State, Special Purpose | 29,066,643 | - | - | - | 29,066,643 |
| Federal, General Purpose | 4,636 | - | - | - | 4,636 |
| Federal, Special Purpose | 15,798,013 | - | - | - | 15,798,013 |
| Revenues From Other Sources | 959,672 | - | - | - | 959,672 |
| TOTAL | 233,328,612 | 9,769,547 | 2,590 | - | 243,100,749 |
| EXPENDITURES/EXPENSES | | | | | |
| Current: | | | | | |
| Regular Instruction | 113,800,902 | (3,365,324) | 16,795,443 | - | 127,231,021 |
| Special Instruction | 24,684,257 | 338,693 | 925,772 | - | 25,948,721 |
| Vocational Instruction | 6,866,517 | 89,942 | 406,897 | - | 7,363,356 |
| Compensatory Education | 15,161,857 | 167,964 | 772,562 | - | 16,102,382 |
| Other Instructional Programs | 881,152 | 31,044 | 103,741 | - | 1,015,936 |
| Community Services | 971,631 | 40,039 | - | - | 1,011,670 |
| Support Services | 21,495,127 | 378,335 | 352,007 | - | 22,225,468 |
| Child Nutrition Services | 6,206,085 | 60,840 | 27,989 | - | 6,294,914 |
| Pupil Transportation Services | 7,185,911 | 107,185 | 816,660 | - | 8,109,756 |
| Extracurricular Activities (ASB) | 2,163,637 | - | (31,056) | - | 2,132,581 |
| Debt Service: | | | | | |
| Principal | 10,635,000 | - | - | (10,635,000) | - |
| Interest and Other Charges | 7,473,583 | - | - | (95,739) | 7,377,844 |
| Bond Issuance Cost | 471,611 | - | - | - | 471,611 |
| Capital Outlay: | | | | | |
| Sites | 52,117 | - | (52,117) | - | - |
| Buildings | 6,817,239 | - | (253,878) | - | 6,563,361 |
| Equipment | 4,741,025 | - | (4,716,611) | - | 24,413 |
| Energy | 196,113 | - | (196,113) | - | - |
| TOTAL EXPENDITURES/EXPENSES | 229,803,762 | (2,151,283) | 14,951,293 | (10,730,739) | 231,873,033 |
| EXCESS OF REVENUES OVER UNDER EXPENDITURES | | | | | |
| | 3,524,850 | 11,920,830 | (14,948,703) | 10,730,739 | 11,227,716 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds of Long-Term Debt | 90,535,000 | - | - | (90,535,000) | - |
| Issuance Premium | 5,021,748 | - | - | (5,021,748) | - |
| Sale of Equipment | 2,590 | - | (2,590) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 95,559,338 | - | (2,590) | (95,556,748) | - |
| NET CHANGE FOR THE YEAR | | | | | |
| | \$ 99,084,188 | \$ 11,920,830 | \$ (14,951,293) | \$ (84,826,009) | \$ 11,227,716 |

The notes to the basic financial statements are an integral part of this statement.

* See Note 10B

Fiduciary Funds Financial Statements

The fiduciary funds financial statements consist of the Private-Purpose Trust Fund. The fiduciary funds financial statements focus on net assets and changes in net assets.

The Private-Purpose Trust Fund reports all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.



AUBURN SCHOOL DISTRICT NO. 408
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
August 31, 2017

| | Private Purpose Trust Fund |
|--|---------------------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 555,933 |
| Due From Other Funds | - |
| Interest Receivable | 600 |
| TOTAL ASSETS | \$ 556,533 |
| LIABILITIES | |
| Accounts Payable | 1,105 |
| Due to Other Funds | |
| TOTAL LIABILITIES | 1,105 |
| NET POSITION | |
| Held in Trusts for Scholarships and Student Aid | 555,427 |
| NET POSITION | \$ 555,427 |

The notes to the basic financial statements are an integral part of this statement.

AUBURN SCHOOL DISTRICT NO. 408
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended August 31, 2017

| | Private Purpose Trust Fund |
|-------------------------------------|---------------------------------------|
| ADDITIONS | |
| Donations | \$ 149,949 |
| Investment Earnings | 4,606 |
| Total Additions | 154,555 |
| DEDUCTIONS | |
| Scholarships | 182,320 |
| Loss On Investments | - |
| Total Deductions | 182,320 |
| Change in Net Position | (27,765) |
| Net Position, Beginning of the year | 583,193 |
| Net Position, End of the year | \$ 555,427 |

The notes to the basic financial statements are an integral part of this statement.

Notes to the Financial Statements



Auburn School District No. 408
915 4th Street NE, Auburn WA 98002

AUBURN SCHOOL DISTRICT NO. 408
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Auburn School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The more significant accounting policies of the District are described below:

A. REPORTING ENTITY

The Auburn School District is a municipal corporation organized pursuant to Title 28A *Revised Code of Washington* (RCW) for the purpose of providing public school services to students in grades P-12. Auburn School District operates under an independently elected board of directors. Management of the district is appointed by and is accountable to the board of directors. Fiscal responsibility, including budget authority, the power to set fees, levy property taxes and issue debt consistent with provisions of state statutes, also rests with the board of directors.

Based on the criteria specified in *GASB Statement No. 14, The Financial Reporting Entity*, the district has no component units. The district's Comprehensive Annual Financial Report includes all funds that are controlled by or dependent on the district's board of directors. Control by or dependence on the district was determined on the basis of budget adoption, taxing authority, outstanding debt secured by the general credit of the district, obligation of the district to finance any deficits that may occur, or receipt of significant subsidies from the district.

B. BASIS OF PRESENTATION

The accounts of the district are organized on the basis of funds in governmental fund financial statements, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The district's basic financial statements in this report consist of:

1). Government – Wide Financial Statements

Overall governmental activities are reported here without displaying individual funds or fund types and display information about the district as a whole. The Government-Wide financial statements do not include Fiduciary Funds. The government-wide financial statements consist of the following:

a. Statement of Net Position

The *Statement of Net Position* reports all financial and capital resources. Capital assets (land, land improvements, buildings, building improvements, vehicles, and equipment) are reported at historical cost, net of accumulated depreciation.

b. Statement of Activities

The operations of the district are presented net of the applicable program revenues. General revenues are divided into property taxes, interest and investment earnings, and special and extraordinary items. The expenses and revenues are reported as follows:

I). Expenses - Expenses are reported by function/program that includes direct and indirect expenses. Depreciation expenses are allocated to direct expenses if they can be specifically identified with a function or program. Interest expenses may be considered direct expenses when borrowing is essential to the creation or continuing existence of a program. Otherwise, interest on long-term liabilities is considered an indirect expense.

II). Revenues – Revenues are divided into program revenues and general revenues. Program revenues are derived directly from the program itself or from parties outside the district’s taxpayers, as a whole. These revenues reduce the net cost of the function to be financed from the district’s general revenue. Program-specific grants and contributions include revenues arising from mandatory and voluntary non-exchange transactions with federal or state governments, organizations, or individuals. These revenues are restricted for use in a particular program.

General revenues are revenues that are not required to be reported as program revenues, such as property tax levies for a specific purpose and all non-tax revenue such as interest and investment earnings.

2). Fund Financial Statements

a. Governmental Funds

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. It includes general fund, special revenue fund (associated student body fund), capital projects fund, transportation vehicle fund, and debt service fund. The district considers all governmental funds to be “major funds”.

I). General Fund - This fund is the general operating fund of the district. It accounts for all financial resources of the district, except those required to be accounted for in another fund. In keeping with the principle of as few funds as necessary, child nutrition, maintenance, information services, printing and pupil transportation activities are included in the fund.

II). Special Revenue Fund (Associated Student Body Fund) - This fund is used to account for the extracurricular fees and resources collected in fund-raising events for students. Disbursements require the joint approval of the appropriate student body organization and the district’s board of directors. This fund is accounted for as a special revenue fund since the financial resources legally belong to the district.

III). Debt Service Fund - This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related expenditures. All of the district's issues are serial bonds rather than term bonds and do not require sinking funds for each issue. Therefore, the district maintains one debt service fund for all bond issues. Also, there are no legal requirements that mandate a separate fund for each bond issue.

IV). Capital Projects Fund – This fund is used to account for the financial resources to be used for the construction or acquisition of major capital assets. This fund must be used when projects are financed wholly or in part by bond issues, intergovernmental resources, major private donations, special levies or insurance recoveries. This fund is also used to account for energy capital improvements.

V). Transportation Vehicle Fund – This fund is used to account for the purchase, major repair, rebuilding and debt service expenditures related to pupil transportation equipment. The major sources of revenue in this fund include the state reimbursement for pupil transportation equipment and special levies.

b. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary Funds such as the private-purpose trust fund is used by a district in its fiduciary capacity as trustee for assets held for individuals, private organizations, and other governments.

I). Private-Purpose Trust Fund - All of the income and principal in the private-purpose trust may be disbursed in the course of its operation. It includes money for scholarships donated by community supporters and funds for student aid provided by InvestED, a public charity formerly known as the Saul Haas Foundation.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The *government-wide financial statements* measure and report all financial and capital assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position or cost recovery, and financial position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements include the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Transportation Vehicle Fund. They are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Fiduciary fund financial statements include the Private-Purpose Trust Fund. This fund is reported on the accrual basis of accounting.

1). Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances are liquidated at the end of the year; therefore, there are no outstanding encumbrances at year-end.

2). Eliminations and Reclassifications

In the process of aggregating data for the government-wide *statements of net position* and the *statement of activities*, the inter-fund receivables and payables within governmental funds, except those with fiduciary funds, were eliminated.

D. BUDGETS AND BUDGETARY ACCOUNTING

1). General Budget Policies

The Auburn School District budgets its funds in accordance with the Revised Code of Washington Chapter 28A.505 and Chapter 392-123 of the Washington Administrative Code (WAC). The School District Board adopts the budget after a public hearing. An appropriation is a prerequisite to expenditure. Appropriations lapse at the end of the fiscal period. Annual appropriated budgets are adopted at the fund level. Each governmental fund's total expenditures cannot, by law, exceed its formal fund appropriation. Management is authorized to modify specific accounts within the overall fund appropriation. However, only the Board has the authority to increase or decrease a given fund's annual budget. The Board may adopt a revised or supplemental budget appropriation after a public hearing at any time during the fiscal year.

2). Budgetary Basis of Accounting

For budget purposes, revenues and expenditures are accounted for on a modified accrual basis of accounting as prescribed in law for all governmental funds. Beginning fund balance is budgeted as available resources and, pursuant to law; the budgeted ending fund balance cannot be negative.

Formal budgetary accounting is employed as a management control for all governmental funds. Budgets are adopted on the same basis of accounting used to reflect actual revenues and expenditures on a generally accepted accounting principles basis.

E. ASSETS, LIABILITIES, NET POSITION AND FUND BALANCES

1). Cash and Cash Equivalents

The district's cash and cash equivalents consist of cash balances, net of warrants outstanding, and cash equivalents with original maturities of three months or less. At August 31, 2017, total district cash and cash equivalents were \$170,447,961. Of that amount, \$169,892,027 was in the governmental funds and \$555,933 was in the fiduciary funds. At August 31, 2017 total district imprest funds were \$93,683, total district cash on hand was \$0, total district warrants outstanding were \$4,133,311 and the fair market value of the districts funds in the King County Investment Pool was \$170,447,961. In accordance with authorized investment laws, the district's cash equivalents are deposited in the King County Investment Pool. The Pool invests in U.S. Agency mortgage-backed securities to enhance yield. As of August 31, 2017, such securities comprised 0.1% of the Pool's portfolio. As of August 31, 2017, the district's funds invested in the Pool comprised 2.63% of the Pool's portfolio. (See Note 2)

2). Property Taxes

Property tax revenues are collected as the result of special levies passed by the voters in the district. Per Revised Code of Washington 84.60.020, the tax assessment date is January 1 of the calendar year of collection. The tax lien date is January 1 of the year of collection and taxes receivable are recognized as of that date. Current year taxes are due in full as of April 30, and are delinquent after that date. However, without incurring penalty, the taxpayer may elect to pay one half of taxes due by April 30, with the remaining one half taxes due October 31, and are delinquent after that date. Typically, a little more than half of taxes due are collected on the April 30 date. King County forecloses on property following the third year of delinquency. In *governmental fund financial statements*, property tax revenue that is measurable but not available (taxes that are not expected to be collected within the current period) is recorded as receivable and deferred revenue. In *government-wide financial statements*, property tax revenue, net of estimated uncollectible amounts, is accrued at year-end.

3). Accounts Receivable

This account represents amounts due for services rendered by the district, net of allowance for doubtful accounts.

4). Due From/To Other Funds

Interfund receivables and payables and the associated revenues and expenditures/expenses are recorded in the respective funds in *governmental fund financial statements*. Interfund receivables and payables are eliminated in *government-wide financial statements*, except those with fiduciary funds.

5). Due From Other Governments

This account represents \$2,813,103 of receivables for federal grants of \$2,489,495, and local government impact fees of \$323,608. Grant revenues are recorded in the year in which the related expenditures are incurred.

6). Inventories

Inventories of instructional materials are valued at cost using the first-in first-out method. Warehoused inventories of food and maintenance and food service supplies are valued at cost using the weighted average method perpetual inventory system. Inventory is charged as an expenditure when it is issued for consumption

7). Bond Discounts, Premiums, Issuance Costs and Refunding Losses

In governmental fund types, bond discounts, premium, issuance costs and refunding losses are recognized in the period of issuance.

8). Capital Assets

Capital Assets, which include property, buildings and improvements, and equipment are reported in the applicable governmental activities in the *government-wide financial statements*. Capital assets are defined by the district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year for land, furniture, equipment, vehicles and school buses and \$100,000 for buildings, building improvements and depreciable land improvements with an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized, but are charged to expenditures in the current period. In *governmental fund financial statements*, there is no depreciation for capital assets. However, depreciation is charged to expenses and allocated to various functions/programs in *government-wide financial statements* in compliance with *GASB Statement No. 34* (See Note 4).

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful life using the straight- line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------------|------------|
| Buildings | 50 years |
| Building Improvements | 20 years |
| Depreciable Land Improvements | 20 years |
| School Buses | 8-18 years |
| Equipment and Vehicles | 4-10 years |

9). Deferred Outflows/Inflows of Resources

The district has adopted the provisions of GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The objective of these statements is to enhance the usefulness of financial reporting as described below.

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

10). Net Position (Government-wide Financial Statements)

In government-wide financial statements, the “Invested in Capital Assets, Net of Related Debt” component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The “Restricted Net Position” component reports the net position where constraints have been placed on net position by external laws, regulations, or legislation. Therefore, they are available for disbursements only for specific purposes such as debt service and capital projects. The “Unrestricted Net Position” are assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

11). Fund Balances (Governmental Fund Financial Statements)

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. In accordance with GASB 54, the District classified governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long term receivables.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District’s Board of Directors.

Assigned – includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. For funds other than the General Fund, the amount of residual fund balance that is spendable after all restrictions, commitments, and other assignments have been made is classified as assigned in accordance with the *Accounting Manual for Public School Districts for the State of Washington*.

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

12). Compensated Absences

a). **Sick Leave** –

Full-time employees earn sick leave at a rate of 12 days per year up to a maximum of one contract year. Under the provisions of RCW 28A.400.210, sick leave accumulated by district employees is paid at death or retirement at the rate of 25% of each day of accrued leave, limited to 180 accrued days. This statute also provides for an annual buy-back of an amount up to the maximum annual accumulation of twelve days. To qualify for annual sick leave buy-back, the employee must have accumulated an excess of 60 days sick leave as of January 1. Sick leave is reported under long-term liabilities in the *Statement of Net Position*. For reporting purposes, 25% of the sick leave liability (up to 180 days) for those eligible for retirement is considered accrualable. The vesting method in *GASB Statement No. 16* was applied in calculating the sick leave. The amount of accrued sick leave as of August 31, 2017 was \$2,363,929 and reported as a long-term liability in the *government-wide financial statements*.

b). **Vacation Leave** –

Vacation leave is accrued according to bargaining agreement rules for those employees eligible. Annual leave accumulated by district employees is paid upon retirement at 100% of per diem value. In addition, annual leave accumulated by classified employees represented by the Public School Employees of Washington bargaining groups is paid upon termination at 100% of per diem value. As of August 31, 2017, vacation leave payable, estimated to be \$1,825,330 is reported as a long-term liability in the *government-wide financial statements*.

NOTE 2. DEPOSITS AND INVESTMENTS

By law, the King County Treasurer is the ex-officio treasurer for the district. In this capacity, the County Treasurer receives, deposits and transacts investments on the district's behalf.

A. DEPOSITS

At year-end, the carrying amounts of the district's deposits with financial institutions and with the King County Treasurer were respectively \$75,000 and \$174,487,589, the warrants outstanding were \$4,133,311 and the petty cash, change funds and cash on hand totaled \$11,355. Total district cash and cash equivalents were \$170,447,961. Of this amount, \$169,892,027 were in governmental funds and \$555,933 were in fiduciary funds. (See Note 1). In addition to FDIC insurance, the district's deposits are protected by the Washington Public Deposit Protection Commission (a multiple financial institution collateral pool). The provision for guaranteed coverage against loss applies not only to demand deposits, but also to certificates of deposit, money market deposit accounts, and savings deposits as well as accrued interest through the date of repayment.

B. INVESTMENTS

In accordance with state investment laws, the district's governing body has entered into a formal inter-local agreement with the district's *ex officio* treasurer, King County, to have all of its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool). All non-invested cash is held in this external investment pool administered by King County, Washington and consequently is not subject to categorization. At August 31, 2017, the fair value of the district investment in the pool was \$174,487,589 with an effective duration of 0.98 years. The pool is not registered by the SEC and does not operate in a manner consistent with the SEC's rule 2a7 which would allow it to be treated as a money market fund for basis of presentation.

Oversight of the Investment Pool is provided by the King County Executive Finance Committee (EFC) pursuant to RCW 36.29.020. The EFC consists of the Chair of the County Council, the County Executive, the Chief Budget Officer, and the Director of the Finance and Business Operations Division. All investments are subject to written policies and procedures adopted by the EFC. The EFC reviews Pool performance monthly.

All investments in cash equivalents are stated at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Fair value for the King County Investment Pool is provided by the County's safekeeping bank or Bloomberg L.P., a provider of fixed income analytics, market monitors, and security pricing. The net decrease in fair value of the district's proportionate share of the King County Investment Pool for 2016-17 was \$170,250. This decrease has been recognized and reported against investment income.

Impaired Investments.

As of August 31, 2017, all impaired commercial paper assets have completed enforcement events. The King County impaired investment pool (Impaired Pool) held one commercial paper asset where the Impaired Pool accepted an exchange offer and is receiving the cash flows from the investment's underlying securities. The Impaired Pool also held the residual investments in four commercial paper assets that were part of completed enforcements events, where the Impaired Pool accepted the cash-out option. The district's share of the impaired investment pool principal is \$105,398 and the District's fair value of these investments is \$170,250.

Interest Rate Risk.

As of August 31, 2017, the Pool's average duration was 0.98 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average life, no longer than five years. While the Pool's market value is calculated on a monthly basis, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

Custodial Credit Risk.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy mandates that all security transactions, including repurchase agreements, are settled "delivery versus payment." This means that payment is made simultaneously with the receipt of the security. These securities are delivered to the County's safekeeping bank or its tri-party bank.

Credit Risk.

As of August 31, 2017, the district's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, municipal securities (rated at least "A" by two NRSROs), commercial paper (rated at least the equivalent of "A-1" by two NRSROs), certificates of deposits issued by qualified public depositories, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer's office.

Concentration Risk

Credit risk also can arise in the wake of a failure to adequately diversity investments. However since Pool investments are concentrated in U.S. government obligations and obligations explicitly guaranteed by the U.S. government, this risk is minimal.

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

As of August 31, 2017, short-term interfund receivables and payables in governmental funds that resulted from various interfund transactions in governmental fund financial statements were as follows:

| | Due from Other Funds | Due to Other Funds |
|-----------------------|-------------------------|-----------------------|
| General Fund | \$ 34,386 | \$ - |
| Capital Projects Fund | - | \$ 30,683 |
| ASB Fund | - | 3,703 |
| Tran Vehicle | - | - |
| Total | \$ 34,386 | \$ 34,386 |

The interfund balances are liquidated to zero on a monthly basis. Almost all of the interfund transfers are to reimburse the general fund from other funds for processing payroll and other accounts payable in the general fund. In addition, all funds collected in the district are electronically swept on a daily basis into the general fund bank account at the county treasurer. Funds are then disbursed to the appropriate fund as soon as the receipts are reconciled to the daily deposit reports. Total funds disbursed from the General Fund were \$8,542,795. Of this amount \$168,315 was disbursed to the Fiduciary funds and the difference to other Governmental Funds.

NOTE 4. CHANGES IN CAPITAL ASSETS

Purchases of equipment over \$5,000 and building and depreciable land improvements over \$100,000 are capitalized and depreciated in the government-wide financial statements. Land is excluded from depreciation. The district’s property valuation of buildings and contents for insurance purposes was \$331,406,577 on August 31, 2016. In the opinion of the district’s insurance consultant, the amount is sufficient to adequately fund replacement of the district’s assets.

| | Balance 9/1/2016 | Additions | Deletions | Balance 8/31/2017 |
|--|-----------------------|----------------------|------------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 40,494,475 | \$ 1,640,748 | \$ - | \$ 42,135,223 |
| Construction in progress | 25,683,425 | 10,283,419 | (32,561,964) | 3,404,879 |
| Total capital assets, not being depreciated | 66,177,900 | 11,924,166 | (32,561,964) | 45,540,102 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 391,667,787 | 19,985,552 | (20,719,068) | 390,934,272 |
| Furniture and equipment | 19,806,913 | 2,044,158 | (130,636) | 21,720,434 |
| Total capital assets, being depreciated | 411,474,700 | 22,029,710 | (20,849,705) | 412,654,705 |
| Less: accumulated depreciation | | | | |
| Buildings and improvements | (117,829,240) | (8,624,682) | 14,155,707 | (112,298,214) |
| Furniture and equipment | (15,151,073) | (1,130,750) | 106,223 | (16,175,599) |
| Total accumulated depreciation | (132,980,313) | (9,755,431) | 14,261,931 | (128,473,813) |
| Total capital assets, being depreciated, net | 278,494,387 | 12,274,279 | (6,587,774) | 284,180,892 |
| Governmental activities capital assets, net | \$ 344,672,286 | \$ 24,198,445 | \$ (39,149,738) | \$ 329,720,994 |

The increases to buildings and improvements include completed projects transferred from construction in progress less those portions of the projects classified as capitalized and non-capitalized equipment. Only those building improvements and depreciable land improvements that are greater than \$100,000 are capitalized. Additions to equipment include only those capital outlay purchases with a unit cost greater than \$5,000 in accordance with the district’s capitalization policy. Decreases to equipment were the result of the sale or trade-in of obsolete equipment. Decreases in buildings and improvements include the removal of the Auburn High School that was replaced with a new building.

Depreciation

Depreciation expense was charged to governmental activities as follows:

| | |
|--|---------------------|
| Regular instruction | \$ 6,425,574 |
| Special instruction | 923,196 |
| Vocational instruction | 414,478 |
| Compensatory education | 772,562 |
| Other instructional programs | 103,741 |
| Support services | 277,718 |
| Child Nutrition services | 17,545 |
| Transportation services | 816,660 |
| ASB | 3,958 |
| Total depreciation expense charged to governmental activities | <u>\$ 9,755,431</u> |

NOTE 5. CONSTRUCTION IN PROGRESS

| Project | Authorized | Expended |
|--|-----------------------|---------------------|
| Olympic MS Reconstruction | \$ 95,930,352 | \$ 1,856,133 |
| Alpac ES Fire Sprinkler Project | 40,000 | 1,088 |
| Chinook ES Replacement | 58,272,273 | 2,911 |
| Dick Scobee ES Replacement | 51,387,117 | 24,046 |
| Pioneer ES Replacement | 57,600,532 | 2,967 |
| Terminal Park ES Replacement | 54,600,532 | 2,911 |
| Evergreen Heights ES Site Improvements | 4,657,768 | 5,435 |
| Transportaion Center Improvements | 201,558 | 2,520 |
| Support Services Mech. Improvements | 329,877 | 101,759 |
| Elementary School #15 | 63,947,548 | 182,040 |
| Elementary School #16 | 63,648,504 | 17,024 |
| Multi-Facility Portable Classroom Buildings & Electrical | 400,000 | 290,881 |
| Wireless and Core Network Improvements - 2017 | 1,223,172 | 856,609 |
| Replace Schools Planning 2016 | 100,000 | 58,558 |
| Totals Contruccion in Progress | <u>\$ 452,339,233</u> | <u>\$ 3,404,879</u> |

NOTE 6. PENSION PLANS

General Information

The Washington State Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, prepares a stand-alone comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each pension plan. The pension plan's basic financial statement is accounted for using the accrual basis of accounting. The measurement date of the pension plans is June 30. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of pension plans administered by DRS and additions to/deductions from the plans' net position have been determined on the same basis as they are reported by the plans.

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS CAFR. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, WA 98504-8380; or online at <http://www.drs.wa.gov/administrations/annual-report>.

Membership Participation

Substantially all school district full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by DRS: Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS).

Membership participation by retirement plan as of June 30, 2017, was as follows:

| Plan | Retirees and Beneficiaries Receiving Benefits | Inactive Plan Members Entitled to but not yet Receiving Benefits | Active Plan Members |
|--------|---|--|---------------------|
| PERS 1 | 48,268 | 663 | 2,593 |
| SERS 2 | 8,229 | 5,880 | 27,011 |
| SERS 3 | 7,735 | 8,330 | 33,890 |
| TRS 1 | 34,225 | 188 | 697 |
| TRS 2 | 5,076 | 2,532 | 19,133 |
| TRS 3 | 10,289 | 8,568 | 54,487 |

Membership & Plan Benefits

Certificated employees are members of TRS. Classified employees are members of PERS (if Plan 1) or SERS. Plan 1 under the TRS and PERS programs are defined benefit pension plans whose members joined the system on or before September 30, 1977. TRS 1 and PERS 1 are closed to new entrants.

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity.

TRS is comprised of three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

TRS Plan 1 provides retirement, disability and death benefits. TRS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of 60 percent, divided by twelve. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two. Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

TRS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) per year of service for Plan 2 members and one percent of AFC for Plan 3 members. The AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit. Members are eligible for normal retirement at the age of 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. TRS Plan 2/3 members who have 30 or more years of service credit, were hired prior to May 1, 2013, and are at least 55 years old, can retire under one of two provisions: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

TRS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

TRS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit.

Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

PERS Plan 1 provides retirement, disability and death benefits. PERS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

Members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes. SERS Plan 2 is a defined benefit plan and SERS Plan 3 is a defined benefit plan with a defined contribution component. SERS members include classified employees of school districts and educational service districts.

SERS is reported as two separate plans for accounting purposes: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

SERS provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the monthly average of the member's 60 highest-paid consecutive service months before retirement, termination or death. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. SERS members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 2, 2013: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

SERS members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service. SERS retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

Plan Contributions

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The methods used to determine the contribution requirements are established under chapters 41.34 and 41.40 RCW for PERS, 41.34 and 41.35 RCW for SERS, and 41.32 and 41.34 RCW for TRS. Employers do not contribute to the defined contribution portions of TRS Plan 3 or SERS Plan 3. Under current law the employer must contribute 100 percent of the employer-required contribution. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at six percent and does not vary from year to year.

The Employer and employee contribution rates for the PERS plan are effective as of July 1. SERS and TRS contribution rates are effective as of September 1. The pension plan contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

| Pension Rates | | | |
|----------------------------|-------------|-------------|----|
| | 7/1/17 Rate | 7/1/16 Rate | |
| PERS 1 | | | |
| Member Contribution Rate | 6.00% | 6.00% | |
| Employer Contribution Rate | 12.70% | 11.18% | |
| Pension Rates | | | |
| | 9/1/17 Rate | 9/1/16 Rate | |
| TRS 1 | | | |
| Member Contribution Rate | 6.00% | 6.00% | |
| Employer Contribution Rate | 15.20% | 13.13% | |
| TRS 2 | | | |
| Member Contribution Rate | 7.06% | 5.95% | |
| Employer Contribution Rate | 15.20% | 13.13% | |
| TRS 3 | | | |
| Member Contribution Rate | varies* | varies* | |
| Employer Contribution Rate | 15.20% | 13.13% | ** |
| SERS 2 | | | |
| Member Contribution Rate | 7.27% | 5.63% | |
| Employer Contribution Rate | 13.48% | 11.58% | |
| SERS 3 | | | |
| Member Contribution Rate | varies* | varies* | |
| Employer Contribution Rate | 13.48% | 11.58% | ** |

Note: The DRS administrative rate of .0018 is included in the employer rate.

* = Variable from 5% to 15% based on rate selected by the member.

** = Defined benefit portion only.

The Collective Net Pension Liability

The collective net pension liabilities for the pension plans school districts participated in are reported in the following tables.

| The Net Pension Liability as of June 30, 2017: | | | | |
|--|---------------|---------------|---------------|----------------|
| Dollars in Thousands | PERS 1 | SERS 2/3 | TRS 1 | TRS 2/3 |
| Total Pension Liability | \$12,241,998 | \$5,357,035 | \$8,782,761 | \$13,446,531 |
| Plan fiduciary net position | (\$7,496,920) | (\$4,863,560) | (\$5,759,493) | (\$12,523,588) |
| Participating employers' net pension liability | \$4,745,078 | \$493,475 | \$3023,268 | \$922,943 |
| Plan fiduciary net position as a percentage of the total pension liability | 61.24% | 90.79% | 65.58% | 93.14% |

The School District's Proportionate Share of the Net Pension Liability (NPL)

At June 30, 2017, the school district reported a total liability of \$82,526,959 for its proportionate shares of the individual plans' collective net pension liability. The district's proportionate share of the collective net pension liability is based on annual contributions for each of the employers participating in the DRS administered plans. At June 30, 2017, the district's proportionate share of each plan's net pension liability is reported below:

| June 30, 2017 | PERS 1 | SERS 2/3 | TRS 1 | TRS 2/3 |
|--|------------|-----------|------------|------------|
| District's Annual Contributions | 1,500,575 | 2,045,807 | 5,604,834 | 5,913,706 |
| Proportionate Share of the Net Pension Liability | 11,837,143 | 7,453,500 | 48,422,876 | 14,813,440 |

At June 30, 2017, the school district's percentage of the proportionate share of the collective net pension liability was as follows and the changed in the allocation percentage from the prior period is illustrated below.

| Allocation percentages | PERS 1 | SERS 2/3 | TRS 1 | TRS 2/3 |
|---|-----------|------------|------------|------------|
| Current year proportionate share of the Net Pension Liability | 0.249462% | 1.510411% | 1.601673% | 1.605022% |
| Prior year proportionate share of the Net Pension Liability | 0.243299% | 1.565491% | 1.623871% | 1.622560% |
| Net difference percentage | 0.006162% | -0.055080% | -0.022198% | -0.017538% |

Actuarial Assumptions

Capital Market Assumptions (CMAs) and expected rates of return by asset class are provided by the Washington State Investment Board. The Office of the State Actuary relied on the CMAs in the selection of the long-term expected rate of return for reporting purposes.

The total pension liabilities for TRS 1, TRS 2/3, PERS 1 and SERS 2/3 were determined by actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 3.0% total economic inflation, 3.75% salary inflation |
| Salary increases | In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity. |
| Investment rate of return | 7.50% |

Mortality Rates

Mortality rates used in the plans were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime. The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the 2007–2012 Experience Study and the 2015 Economic Experience Study . Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best-estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by the Washington State Investment Board (WSIB). Those expected returns make up one component of WSIB’s CMA. The CMA contains three pieces of information for each class of assets the WSIB currently invest in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

WSIB uses the CMA and their target asset allocation to simulate future investment returns over various time horizons.

The long-term expected rate of return of 7.50% percent approximately equals the median of the simulated investment returns over a fifty-year time horizon, increased slightly to remove WSIB’s implicit and small short-term downward adjustment due to assumed mean reversion. WSIB’s implicit short-term adjustment, while small and appropriate over a ten to fifteen-year period, becomes amplified over a fifty-year measurement period.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2017, are summarized in the following table:

| TRS1, TRS 2/3, PERS 1, and SERS 2/3 | | |
|-------------------------------------|-------------------|--|
| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
| Fixed Income | 20.00% | 1.70% |
| Tangible Assets | 5.00% | 4.90% |
| Real Estate | 15.00% | 5.80% |
| Global Equity | 37.00% | 6.30% |
| Private Equity | 23.00% | 9.30% |

The inflation component used to create the above table is 2.20 percent, and represents WSIB’s most recent long-term estimate of broad economic inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan’s fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70 percent long-term discount rate to determine funding liabilities for calculating future contributions rate requirements. Consistent with the long-term expected rate of return, a 7.50 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The table below presents the Auburn School District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate. Amounts are calculated by plan using the district's allocation percentage.

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---------------------------------------|------------------------|----------------------------------|---------------------|
| PERS1 NPL | \$5,780,412,000 | \$4,745,078,000 | \$3,848,257,000 |
| Allocation Percentage | 0.249462% | 0.249462% | 0.249462% |
| Proportionate Share of Collective NPL | \$ 14,419,903 | \$ 11,837,143 | \$ 9,599,920 |
| SERS2/3 NPL | \$1,278,921,000 | \$493,475,000 | (\$153,665,000) |
| Allocation Percentage | 1.510411% | 1.510411% | 1.510411% |
| Proportionate Share of Collective NPL | \$ 19,316,962 | \$ 7,453,500 | \$ (2,320,973) |
| TRS1 NPL | \$3,759,368,000 | \$3,023,268,000 | \$2,386,123,000 |
| Allocation Percentage | 1.601673% | 1.601673% | 1.601673% |
| Proportionate Share of Collective NPL | \$ 60,212,793 | \$ 48,422,876 | \$ 38,217,895 |
| TRS2/3 NPL | \$3,134,647,000 | \$922,943,000 | (\$873,375,000) |
| Allocation Percentage | 1.605022% | 1.605022% | 1.605022% |
| Proportionate Share of Collective NPL | \$ 50,311,780 | \$ 14,813,440 | \$ (14,017,863) |

Pension Expense

The District recognizes a pension expense for its proportionate share of the collective pension expense. This is determined by using the district's proportion share of the collective net pension liability. For the year ending August 31, 2017, the district recognized a total pension expense as follows:

| | Pension Expense |
|--------------|-----------------------|
| PERS 1 | \$ (473,559) |
| SERS 2/3 | \$ (68,740) |
| TRS 1 | \$ (3,266,992) |
| TRS 2/3 | \$ (654,180) |
| TOTAL | \$ (4,463,470) |

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Pension Plans reported collective Deferred Outflows of Resources and collective Deferred Inflows of resources related to the individual plans. At August 31, 2017, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

| PERS 1 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Difference between expected and actual experiences | \$0 | \$0 |
| Net difference between projected and actual earnings on pension plan investments | \$0 | \$(441,729) |
| Changes in assumptions or other inputs | \$0 | \$0 |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$0 | \$0 |
| Contributions subsequent to the measurement date | \$260,768 | \$0 |
| TOTAL | \$260,768 | \$(441,729) |

| SERS 2/3 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Difference between expected and actual experiences | \$1,484,145 | \$0 |
| Net difference between projected and actual earnings on pension plan investments | \$0 | \$(1,936,770) |
| Changes in assumptions or other inputs | \$77,801 | \$0 |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$90,810 | \$(332,448) |
| Contributions subsequent to the measurement date | \$355,582 | \$0 |
| TOTAL | \$2,008,338 | \$(2,269,218) |

| TERS 1 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Difference between expected and actual experiences | \$0 | \$0 |
| Net difference between projected and actual earnings on pension plan investments | \$0 | \$(2,051,439) |
| Changes in assumptions or other inputs | \$0 | \$0 |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$0 | \$0 |
| Contributions subsequent to the measurement date | \$989,852 | \$0 |
| TOTAL | \$989,852 | \$(2,051,439) |

| TERS 2/3 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Difference between expected and actual experiences | \$3,693,975 | \$(755,725) |
| Net difference between projected and actual earnings on pension plan investments | \$0 | \$(5,360,967) |
| Changes in assumptions or other inputs | \$174,562 | \$0 |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$359,476 | \$(566,509) |
| Contributions subsequent to the measurement date | \$1,045,851 | \$0 |
| TOTAL | \$5,273,864 | \$(6,683,200) |

\$2,652,053 reported as Deferred Outflows of Resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended August 31 | PERS 1 | SERS 2/3 | TRS 1 | TRS 2/3 |
|----------------------|-----------|-----------|-------------|-------------|
| 2018 | (298,580) | (509,527) | (1,509,838) | (2,171,910) |
| 2019 | 94,267 | 420,535 | 564,109 | 802,148 |
| 2020 | (21,888) | (62,916) | (50,148) | (275,514) |
| 2021 | (215,527) | (686,896) | (1,058,562) | (2,081,991) |
| 2022 | - | 158,813 | - | 265,018 |
| Thereafter | - | 63,528 | - | 1,007,061 |

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The state, through the Health Care Authority (HCA), administers an agent multiple-employer other post-employment benefit plan. The Public Employees Benefits Board (PEBB) created within the HCA is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. Programs include medical, dental, life and long-term disability.

Employers participating in the plan include the state (which includes general government agencies and higher education institutions), 57 of the state's K-12 school and educational service districts (ESDs), and 206 political subdivisions. Additionally, the PEBB plan is available to the retirees of the remaining 244 K-12 school districts and ESDs. The Auburn School District's retirees are eligible to participate in the plan under this arrangement.

Plan Description

Eligibility

District members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits) under Plan 2 or 3 of TRS or SERS.

- Age 65 with 5 years of service
- Age 55 with 20 years of service

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical and life insurance benefits after pension benefit commencement. Survivors of covered members who die are eligible for medical benefits.

Medical and Life Benefits

Upon retirement, members are permitted to receive medical benefits. Retirees pay the following monthly rates for pre-65 Medical coverage for 2017:

| Descriptions | Type of Coverage | | | |
|--|----------------------|-------------------------------|------------------|---------------------------|
| | Non-Medicare Retiree | Non-Medicare Retiree & Spouse | Medicare Retiree | Medicare Retiree & Spouse |
| Kaiser Permanente WA (formerly Group Health) Classic | \$ 676.52 | \$ 1,348.32 | \$ 176.17 | \$ 347.62 |
| Kaiser Permanente WA (formerly Group Health) Value | 598.81 | 1,192.90 | | |
| Kaiser Permanente WA (formerly Group Health) CDHP | 563.28 | 1,115.34 | | |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | 575.80 | 1,146.88 | | |
| Kaiser Permanente NW Classic | 661.10 | 1,317.48 | 163.63 | 322.54 |
| Kaiser Permanente NW CDHP | 564.83 | 1,117.94 | | |
| Uniform Medical Plan Classic | 623.65 | 1,242.58 | 278.13 | 551.54 |
| Uniform Medical Plan CDHP | 562.91 | 1,114.60 | | |
| Premera Blue Cross Plan F | | | 109.59 | 316.14 |
| Uniform Dental Plan | 45.07 | 90.14 | 45.07 | 90.14 |
| DeltaCare | 39.53 | 79.06 | 39.53 | 79.06 |
| Willamette Dental | 42.37 | 84.74 | 42.37 | 84.74 |

For 2017, after age 65, retired members receive a subsidy of 50 percent of their monthly medical premiums up to \$150.

Funding Policy

The funding policy is based upon the pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

The district's annual other post-employment benefits (OPEB) cost is calculated based upon the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that if paid on an on-going basis, is projected to cover the normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed thirty years. The following tables show the components of the district's annual OPEB cost for the year, the amount actually contributed to the plan and changes in district's Net OPEB Obligation. (NOO).

| Determination of Annual Required Contribution | August 31, 2017 |
|--|------------------------|
| Normal Cost at Year End | \$ 1,795,887 |
| Amortization of UAAL | 1,165,875 |
| Interest on Normal Cost and Amortization Payment | 133,279 |
| Annual Required Contribution (ARC) | <u>\$ 3,095,041</u> |

| Determination of Net OPEB Obligation | |
|---|----------------------|
| Annual Required Contribution | \$ 3,095,041 |
| Interest on Prior year Net OPEB Obligation | 785,629 |
| Adjustment to ARC | (608,138) |
| Annual OPEB Cost | <u>3,272,532</u> |
| Contributions Made | <u>(1,415,328)</u> |
| Increase in Net OPEB Obligation | 1,857,204 |
| Net OPEB Obligation - Beginning of Year | <u>17,458,418</u> |
| Net OPEB Obligation - End of Year* | <u>\$ 19,315,622</u> |

The District's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2010 to 2017 were as follows:

| OPEB COST | | | |
|--------------------------|-------------------------|--|----------------------------|
| Fiscal Year Ended | Annual OPEB Cost | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
| 8/31/2017 | \$ 3,272,532 | 43.25% | \$ 19,315,622 |
| 8/31/2016 | \$ 3,569,226 | 38.84% | \$ 17,458,418 |
| 8/31/2015 | \$ 3,580,493 | 38.48% | \$ 15,275,396 |
| 8/31/2014 | \$ 2,847,966 | 42.51% | \$ 13,072,748 |
| 8/31/2013 | \$ 2,799,464 | 41.95% | \$ 11,435,502 |
| 8/31/2012 | \$ 3,375,691 | 59.93% | \$ 9,810,315 |
| 8/31/2011 | \$ 3,702,701 | 21.98% | \$ 8,444,355 |
| 8/31/2010 | \$ 3,583,915 | 22.99% | \$ 5,555,388 |

Funded Status and Funding Progress

As of August 31, 2017 the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$34.9 million, and actuarial value of assets was \$0, resulting in a UAAL of \$34.9 million.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The health cost trend rates used for the actuarial study are as follows:

| Year | Medical Trend | Life Trend |
|---------|---------------|------------|
| 2010-11 | 7.00% | 3.50% |
| 2011-12 | 6.50% | 3.50% |
| 2012-13 | 6.00% | 3.50% |
| 2013-14 | 5.50% | 3.00% |
| 2014-15 | 5.00% | 3.00% |
| 2015-16 | 5.00% | 3.00% |
| 2016-17 | 5.00% | 3.00% |

In the August 31, 2017 actuarial valuation, the Projected Unit Credit Actuarial Cost Method was used. The actuarial assumptions used included a 4.5% discount rate, which is based upon the long-term investment yield on the investments that are expected to be used to finance the payments of benefits.

The UAAL is being amortized as a level percentage of pay on an open basis over a period of 30 years. The UAAL as a percentage of the covered payroll of \$106,865,582 is 32.7%.

For further information on the results the actuarial valuation of the employer provided subsidies associated with state's PEGB plan refer to: http://osa.leg.wa.gov/Actuarial_services/OPEB/OPEB.htm.

NOTE 8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2017 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|-------------------------------|-------------------|----------------|---------------|----------------|---------------------|
| Governmental activities: | | | | | |
| Bonds Payable: | | | | | |
| 2004 UTGO Refunding Bonds | \$ 3,890,000 | \$ - | \$ 3,890,000 | \$ - | \$ - |
| 2004 UTGO Bonds | - | - | - | - | - |
| 2010 UTGO Refunding Bonds | 35,450,000 | - | - | 35,450,000 | 6,100,000 |
| 2012 UTGO Refunding Bonds | 8,855,000 | - | 100,000 | 8,755,000 | 100,000 |
| 2013 UTGO and Refunding Bonds | 70,195,000 | - | 3,305,000 | 66,890,000 | 2,685,000 |
| 2014 UTGO and Refunding Bonds | 37,360,000 | - | 3,340,000 | 34,020,000 | 1,830,000 |
| 2017 UTGO Bonds | - | 90,535,000 | - | 90,535,000 | 8,495,000 |
| Total Bonds Payable | 155,750,000 | 90,535,000 | 10,635,000 | 235,650,000 | 19,210,000 |
| Unamortized Bond Premium | 14,772,383 | 5,021,748 | 1,385,096 | 18,409,035 | 1,454,305 |
| Net Bonds Payable | 170,522,383 | 95,556,748 | 12,020,096 | 254,059,035 | 20,664,305 |
| Net Pension Liabilities: | | | | | |
| PERS Plan 1 | 13,066,316 | - | 1,229,172 | 11,837,144 | - |
| SERS Plans 2/3 | 10,281,628 | - | 2,828,128 | 7,453,500 | - |
| TRS Plan 1 | 55,442,817 | - | 7,019,941 | 48,422,876 | - |
| TRS Plans 2/3 | 22,282,564 | - | 7,469,124 | 14,813,440 | - |
| Total Net Pension Liabilities | 101,073,324 | - | 18,546,365 | 82,526,959 | - |
| Other Liabilities: | | | | | |
| Compensated Absences | 3,734,275 | 4,189,258 | 3,734,275 | 4,189,258 | 400,214 |
| Net OPEB Obligation | 17,458,418 | 1,857,204 | - | 19,315,622 | - |
| GRAND TOTAL | \$ 292,788,400 | \$ 101,603,210 | \$ 34,300,736 | \$ 360,090,875 | \$ 21,064,519 |

The debt service fund is established to redeem the outstanding bonds. Compensated Absences payments are liquidated by the general fund.

General Obligation Bonds—The annual requirements to amortize all general obligation bonds outstanding as of August 31, 2017, including interest payments, are listed as follows:

| Year Ending August 31, 2017 | Principal | Interest | Total |
|--|-----------------------|----------------------|-----------------------|
| 2018 | 19,210,000 | 9,270,037 | 28,480,037 |
| 2019 | 19,370,000 | 8,621,963 | 27,991,963 |
| 2020 | 12,355,000 | 8,007,900 | 20,362,900 |
| 2021 | 12,685,000 | 7,455,988 | 20,140,988 |
| 2022 | 12,735,000 | 6,862,031 | 19,597,031 |
| 2023-2027 | 54,820,000 | 27,337,875 | 82,157,875 |
| 2028-2032 | 54,175,000 | 16,520,800 | 70,695,800 |
| 2033-2036 | 50,300,000 | 3,877,425 | 54,177,425 |
| Total | \$ 235,650,000 | \$ 87,954,019 | \$ 323,604,019 |

General obligation school building bonds payable at August 31, 2017, with their outstanding balances are comprised of the following individual issues:

OUTSTANDING BONDS

| | |
|--|-----------------------|
| \$27,785,000 2004 general obligation refunding bonds, due in installments of \$175,000 to \$4,010,000, beginning December 1, 2004 through December 1, 2016, interest from 2.00% to 5.00% | \$ - |
| \$36,025,000 2010 general obligation refunding bonds, due in installments of \$575,000 to \$8,215,000 beginning December 1, 2010 to December 1, 2021, interest 2% to 5.00% | 35,450,000 |
| \$9,290,000 2012 general obligation refunding bonds, due in installments of \$135,000 to \$8,210,000 beginning December 1, 2012 to December 1, 2022, interest 2% to 3.00% | 8,755,000 |
| \$78,855,000 2013 general obligation and refunding bonds, due in installments of \$570,000 to \$10,280,000 beginning December 1, 2013 to December 1, 2032, interest 1.5% to 4.00% | 66,890,000 |
| \$43,555,000 2014 general obligation and refunding bonds, due in installments of \$775,000 to \$4,275,000 beginning December 1, 2014 to December 1, 2033, interest 1.00% to 5.00% | 34,020,000 |
| \$90,535,000 2017 general obligation bonds, due in installments of \$475,000 to \$16,000,000 beginning December 1, 2017 to December 1, 2036, interest 2.25% to 5.00% | 90,535,000 |
| | <u>\$ 235,650,000</u> |

2017 BOND ISSUE

On January 24, 2017, the District issued \$90,535,000 in bonds to provide moneys that are necessary to pay the cost and expenses to construct and equip two new elementary schools; rebuild and equip Chinook Elementary, Dick Scobee Elementary, Lea Hill Elementary, Pioneer Elementary, Terminal Park Elementary schools and Olympic Middle School. The funds may also be used to acquire sites as needed to accomplish these capital projects. The bonds bear interest rates from 2.25 to 5.00 percent and will be redeemed over the next 20 years with proceeds from property tax levy.

This is the first issue in a series of bonds authorizing the District to issue \$456,056,000 of general obligation bonds in total.

LEGAL DEBT MARGIN

RCW 39.36.015 and RCW 39.36.020 provide that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the district:

- 0.375% Without a vote of the people (Non-bonded debt only per RCW 28A51.010)
- 2.5% With a vote of the people
- 5.0% With a vote of the people, if the indebtedness in excess of 2.5% is for capital outlay.

Assessed valuation of taxable property for 2016 tax collection for bond purposes is \$10.8 billion.

NOTE 9.

RISK MANAGEMENT

A. UNEMPLOYMENT

Auburn School District self-insures for unemployment compensation for all of its employees. Actual employee claims are paid by the State of Washington, Department of Employment Security and then reimbursed by the district. This self-insurance program costs the district less than full participation in the state unemployment compensation program. Since actual claims paid during the fiscal year were only \$52,702, it is clear that all of the major prior year claims have been completely paid.

B. INDUSTRIAL INSURANCE

For the fiscal year ended August 31, 2017, Auburn School district made payments totaling \$1,417,172 to the Workers' Compensation Trust administered by Puget Sound Educational Service district No. 121 for industrial insurance for all district employees. This trust is operated for the benefit of several neighboring school districts in-lieu-of districts making monthly premium payments to the State of Washington for industrial insurance. This practice enables these districts to pay industrial insurance claims as they occur and minimizes the districts' costs for the program.

C. RISK MANAGEMENT POOL

The district is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In order to obtain general liability insurance at a cost it considered to be economically justifiable, the district joined the Washington Schools Risk Management Pool administered by Puget Sound Educational Service District No. 121. This pool is a public entity risk pool currently operating as a common risk management and insurance program. It provides coverage for property, liability, vehicle, public official liability, crime, employment practices, machinery breakdown and network security. The district pays an annual premium to the pool for its general insurance coverage. For the fiscal year ended August 31, 2017, the district contributed \$890,717 to the pool.

The agreement for formation of the Washington School Risk Management Pool in 1986 provides that the pool will be self-sustaining through member premiums and reinsure through commercial companies for claims in excess of \$1 million for each property loss. The Pool maintains an excess reinsurance contract with Lexington Insurance Company which provides \$500 million limit of coverage over the Pool's self-insured retention (SIR) limit of \$1 million. This includes boiler and machinery coverage insurance through Hartford Steam Insurance Company with a Pool retention of \$25,000. The Pool purchased liability reinsurance coverage from Alterra for \$2 million excess of \$1 million SIR per occurrence; United Educators for \$7 million excess of \$3 million per occurrence; and excess liability insurance coverage through Chartis for \$10 million excess of \$10 million per occurrence. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Washington School risk Management Pool has published its own financial report for the year ended August 31, 2017. This report can be obtained from:

Washington Schools Risk Management Pool
320 Andover Park East
P. O. Box 88700
Tukwila WA 98138-2700

NOTE 10. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND FINANCIAL STATEMENTS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

A. RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

| | | |
|---|---------------------|------------------------------|
| Total fund balances for governmental funds | | \$ 169,177,083 |
| Total net position for governmental activities in the statement of net position differs because: | | |
| Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of: | | |
| Land, net of \$463,631 applicable accum. depreciation | \$ 41,671,592 | |
| Construction in progress | 3,404,879 | |
| Buildings and improvements, net of \$112,298,214 accum. depreciation | 279,099,688 | |
| Furniture and equipment, net of \$ 16,175,599 accumulated depreciation | <u>5,544,834</u> | |
| | | 329,720,993 |
| Property taxes that are deferred in government funds since not available soon enough to pay for the current period's expenditures. | | 44,775,968 |
| | | 343,865 |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is recognized. | | (2,242,948) |
| Long-term liabilities and deferred outflows of resources that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities or deferred outflows of resources. All liabilities and deferred outflows of resources, both current and long-term are reported in the statement of net position. Balances at year-end are: | | |
| Deferred Outflows of Resources: | | |
| Deferred Outflow on Refunding | | 3,430,077 |
| Deferred Outflow on Pension Plans | | 8,532,822 |
| Liabilities: | | |
| Bonds Payable | (\$235,650,000) | |
| Unamortized bond premiums | (18,409,035) | |
| Compensated Absences | (4,189,258) | |
| Net OPEB Obligation | (19,315,622) | |
| Net Pension Liability - all plans | <u>(82,526,959)</u> | |
| | | (360,090,874) |
| Deferred Inflows of Resources: | | |
| Deferred Inflow on Pension Plans | | (11,445,587) |
| Total net position of governmental activities | | <u><u>\$ 182,201,400</u></u> |

**B. RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances-total governmental funds \$ 99,084,188

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period (Schedule 4A):

| | | | |
|----------------------------|----|--------------------|-----------------|
| Capital outlays | \$ | 1,391,912 | |
| Depreciation expense | | (9,755,431) | |
| Loss on disposal of assets | | <u>(6,587,774)</u> | \$ (14,951,293) |

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. The repayment of principal reduces the liability. Governmental funds expend issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. However, interest expense is recognized as it accrues, regardless of when it is due. The effect of these differences in the treatment of general obligation bonds and related items is as follows:

| | | | |
|---|----|---------------------|--------------|
| Repayment of bond principal | \$ | 10,635,000 | |
| Interest and other charges - general obligation bonds | | 95,739 | |
| Bond Sale | | <u>(95,556,748)</u> | (84,826,009) |

Property tax revenues received prior to the year for which they are being levied are reported as unavailable revenue in the governmental funds.

They are, however, recorded as revenues in the statement of activities. Unavailable property tax revenues increased this year. 9,769,547

In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. During this year, accrued vacation and sick leave payable increased by (454,983)

Net Pension Expense 4,463,470

Net OPEB Obligation (1,857,204)

Change in net position of governmental activities \$ 11,227,716

NOTE 11. SUMMARY OF SIGNIFICANT CONTINGENCIES

LITIGATION

Auburn School District is party to various pending legal actions arising from its normal educational activities. It is the opinion of the administration that these will be resolved without any material impact on the operations or the financial position of the district.

CLAIMS AND JUDGMENTS

The district participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Since these have not been completed, the amount, if any, of expenditures that may be disallowed by the granting agencies has not yet been determined. The district believes that disallowed expenditures, if any, will not have a material effect on any of the governmental funds or the overall financial position of the district.

NOTE 12. FUND BALANCE (GOVERNMENTAL FUNDS)

CHANGES IN FUND BALANCES

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Transportation Vehicle Fund |
|----------------------------|---------------|----------------------|-------------------|-----------------------|-----------------------------|
| Total Fund Balance 8/31/16 | \$ 14,370,497 | \$ 1,453,658 | \$ 7,857,971 | \$ 43,413,809 | \$ 2,996,961 |
| Nonspendable: Inventories | 471,664 | 936 | - | - | - |
| Restricted: | | | | | |
| Child Nutrition Services | 730,906 | - | - | - | - |
| Student Activities | - | 115,482 | - | - | - |
| Debt Service | - | - | 4,553,310 | - | - |
| Capital Projects | - | - | - | 91,851,612 | - |
| Acquisition of Buses | - | - | - | - | (493,527) |
| Carryovers | (150,832) | | | | |
| Committed: | | | | | |
| Capital Levy Projects | - | - | - | (1,751,379) | - |
| Held for Employee Benefits | 29,638 | - | - | - | - |
| Assigned: | | | | | |
| Other Capital Projects | - | - | - | 2,839,313 | - |
| Unassigned | 887,064 | - | - | - | - |
| Total Fund Balance 8/31/17 | \$ 16,338,938 | \$ 1,570,075 | \$ 12,411,281 | \$ 136,353,355 | \$ 2,503,434 |

NOTE 13. OTHER DISCLOSURES

KING COUNTY DIRECTORS' ASSOCIATION

The district is a member of the King County Directors' Association (KCDA). KCDA is a purchasing cooperative designed to pool the member districts' purchasing power. This association serves 294 public school districts. District purchases for the calendar year 2016 totaled \$1,377,048. Auburn School District's equity in KCDA totaled \$201,217 as of December 31, 2016. This equity is the accumulation of the annual assignment of KCDA's operating surplus based upon the percentage derived from KCDA's total sales to the district compared to all other districts applied against paid administrative fees. The district may withdraw inventory at a maximum rate of ten (10) percent per year for a ten year period, or the district may withdraw cash equally over a fifteen-year period.

NOTE 14. SIGNIFICANT EFFECT OF SUBSEQUENT EVENTS

There were no subsequent events as of the date of this financial report.

Required Supplemental Information

The required supplemental information presents budgetary comparisons (original and final budget), actual inflows and outflows, and balances of general fund and for each major fund.



REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
BUDGETARY COMPARISON SCHEDULE*
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

| | BUDGETED AMOUNTS | | ACTUAL AMOUNT | VARIANCE |
|--|---------------------|---------------------|----------------------|---------------------|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Local | \$ 47,260,163 | \$ 47,260,163 | \$ 44,193,152 | \$ (3,067,011) |
| State | 137,654,735 | 137,654,735 | 139,023,835 | 1,369,100 |
| Federal | 16,633,159 | 16,122,280 | 15,802,649 | (319,631) |
| Other | 627,700 | 1,138,579 | 848,264 | (290,315) |
| TOTAL REVENUES | 202,175,757 | 202,175,757 | 199,867,900 | (2,307,857) |
| EXPENDITURES | | | | |
| CURRENT | | | | |
| Regular Instruction | 118,949,723 | 118,949,723 | 113,800,902 | 5,148,821 |
| Special Education | 25,389,715 | 25,389,715 | 24,684,257 | 705,458 |
| Vocational Instruction | 6,835,926 | 6,835,926 | 6,866,517 | (30,591) |
| Compensatory Education | 14,643,285 | 14,643,285 | 15,161,857 | (518,572) |
| Other Instructional Programs | 4,560,157 | 4,560,157 | 881,152 | 3,679,005 |
| Community Services | 1,382,601 | 1,382,601 | 971,631 | 410,970 |
| Support Services | 22,023,795 | 22,023,795 | 21,495,127 | 528,668 |
| Child Nutrition Services | 7,746,702 | 7,746,702 | 6,206,085 | 1,540,617 |
| Pupil Transportation Services | 7,593,855 | 7,593,855 | 7,185,911 | 407,944 |
| CAPITAL OUTLAY | | | | |
| Equipment | 602,444 | 602,444 | 648,612 | (46,168) |
| TOTAL EXPENDITURES | 209,728,203 | 209,728,203 | 197,902,049 | 11,826,154 |
| Excess of Revenues Over (Under) Expenditures | (7,552,446) | (7,552,446) | 1,965,851 | 9,518,297 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Equipment | - | - | 2,590 | 2,590 |
| Total Other Financing Sources (Uses) | - | - | 2,590 | 2,590 |
| Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses | (7,552,446) | (7,552,446) | 1,968,441 | 9,520,887 |
| FUND BALANCE-September 1 | 14,000,000 | 14,000,000 | 14,370,497 | 370,497 |
| FUND BALANCE -August 31 | \$ 6,447,554 | \$ 6,447,554 | \$ 16,338,938 | \$ 9,891,384 |

* Prepared on the GAAP Budgetary Basis of Accounting

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
BUDGETARY COMPARISON SCHEDULE*
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE |
|---|---------------------|---------------------|---------------------|--------------------|
| | ORIGINAL | FINAL | AMOUNT | |
| REVENUES | | | | |
| General | \$ 1,824,512 | \$ 1,824,512 | \$ 658,595 | \$ (1,165,917) |
| Athletics | \$ 278,570 | 278,570 | 203,195 | (75,375) |
| Classes | \$ 254,250 | 254,250 | 116,303 | (137,947) |
| Clubs | \$ 2,214,885 | 2,214,885 | 1,251,025 | (963,860) |
| Private Monies | \$ 134,000 | 134,000 | 50,937 | (83,063) |
| Total Revenues | 4,706,217 | 4,706,217 | 2,280,054 | (2,426,163) |
| EXPENDITURES | | | | |
| General | 1,341,435 | 1,341,435 | 494,983 | 846,452 |
| Athletics | 425,193 | 425,193 | 239,824 | 185,369 |
| Classes | 276,575 | 276,575 | 121,418 | 155,157 |
| Clubs | 2,520,444 | 2,520,444 | 1,260,623 | 1,259,821 |
| Private Monies | 134,100 | 134,100 | 46,789 | 87,311 |
| Total Expenditures | 4,697,747 | 4,697,747 | 2,163,637 | 2,534,110 |
| Excess of Revenues Over (Under) Expenditures | 8,470 | 8,470 | 116,417 | 107,947 |
| FUND BALANCE - September 1 | 1,032,671 | 1,032,671 | 1,453,658 | 420,987 |
| FUND BALANCE - August 31 | \$ 1,041,141 | \$ 1,041,141 | \$ 1,570,075 | \$ 528,934 |

*Prepared on the GAAP Budgetary Basis of Accounting.

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
ACTUARIAL VALUATION OF POST EMPLOYMENT BENEFITS
OTHER THAN PENSION
SCHEDULE OF FUNDING PROGRESS

| Fiscal Year Ended August 31 | Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liabilities (UAAL) | Funded Ratio | Covered Payroll | UAAL As a Percentage of Covered Payroll |
|------------------------------------|---------------------------------|----------------------------------|------------------------------------|--|---------------------|------------------------|--|
| 2009 | August 31, 2009 | \$ - | \$ 39,459,390 | \$ 39,459,390 | 0% | \$ 86,000,573 | 46% |
| 2010 | August 31, 2009 | \$ - | \$ 39,459,390 | \$ 39,459,390 | 0% | \$ 87,724,325 | 45% |
| 2011 | August 31, 2011 | \$ - | \$ 35,942,820 | \$ 35,942,820 | 0% | \$ 78,871,163 | 46% |
| 2012 | August 31, 2011 | \$ - | \$ 35,942,820 | \$ 35,942,820 | 0% | \$ 89,476,306 | 40% |
| 2013 | August 31, 2013 | \$ - | \$ 30,118,346 | \$ 30,118,346 | 0% | \$ 81,582,322 | 36.9% |
| 2014 | August 31, 2013 | \$ - | \$ 30,118,346 | \$ 30,118,346 | 0% | \$ 84,845,614 | 35.5% |
| 2015 | August 31, 2015 | \$ - | \$ 38,509,601 | \$ 38,509,601 | 0% | \$ 92,928,939 | 41.4% |
| 2016 | August 31, 2015 | \$ - | \$ 38,509,601 | \$ 38,509,601 | 0% | \$ 97,110,516 | 39.7% |
| 2017 | August 31, 2017 | \$ - | \$ 34,976,240 | \$ 34,976,240 | 0% | \$ 106,865,582 | 32.7% |

Note 1: The provisions of the Governmental Accounting Standards Board for the actuarial valuation of post employment benefits were adopted for the fiscal year ended August 31, 2009, therefore only eight years of data are shown.

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2017
LAST 10 FISCAL YEARS*

| | 2017 | 2016 | 2015 |
|---|------------|------------|------------|
| Plan: PERS 1 | | | |
| District's Proportion of the net pension liability (percentage) | 0.249462% | 0.243299% | 0.235030% |
| District's proportionate share of the net pension liability (amount) | 11,837,143 | 13,066,316 | 12,294,252 |
| District's covered-employee payroll | 31,117,271 | 29,293,377 | 26,627,617 |
| District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll | 38.04% | 44.61% | 46.17% |
| Plan fiduciary net position as a percentage of the total pension liability | 61.24% | 57.03% | 59.10% |
| Plan: SERS 2/3 | | | |
| District's Proportion of the net pension liability (percentage) | 1.510411% | 1.565491% | 1.527114% |
| District's proportionate share of the net pension liability (amount) | 7,453,500 | 10,281,628 | 6,202,389 |
| District's covered-employee payroll | 30,856,255 | 28,969,671 | 26,284,813 |
| District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll | 24.16% | 35.49% | 23.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.79% | 86.52% | 90.92% |
| Plan: TRS 1 | | | |
| District's Proportion of the net pension liability (percentage) | 1.601673% | 1.623871% | 1.563259% |
| District's proportionate share of the net pension liability (amount) | 48,422,876 | 55,442,817 | 49,526,279 |
| District's covered-employee payroll | 88,949,650 | 81,961,169 | 75,062,155 |
| District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll | 54.44% | 67.65% | 65.98% |
| Plan fiduciary net position as a percentage of the total pension liability | 65.58% | 62.07% | 65.70% |
| Plan: TRS 2/3 | | | |
| District's Proportion of the net pension liability (percentage) | 1.605022% | 1.622560% | 1.567497% |
| District's proportionate share of the net pension liability (amount) | 14,813,440 | 22,282,564 | 13,226,568 |
| District's covered-employee payroll | 88,002,945 | 80,831,106 | 73,340,017 |
| District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll | 16.83% | 27.57% | 18.03% |
| Plan fiduciary net position as a percentage of the total pension liability | 93.14% | 88.72% | 92.48% |

*This schedule is to be built prospectively until it contains 10 years of data.

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
SCHEDULE OF DISTRICT CONTRIBUTIONS
AS OF AUGUST 31, 2017
LAST 10 FISCAL YEARS*

| | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|
| Plan: PERS 1 | | | |
| Contractually required contribution | \$ 1,500,575 | \$ 1,379,743 | \$ 1,080,193 |
| Contributions in relation to the contractually required contributions | \$ 1,500,575 | \$ 1,379,743 | \$ 1,080,193 |
| Contribution deficiency (excess) | 0 | 0 | 0 |
| District's covered-employee payroll | \$ 31,429,235 | \$ 29,688,039 | \$ 27,045,866 |
| Contribution as a percentage of covered-employee payroll | 4.77% | 4.65% | 3.99% |
| Plan: SERS 2/3 | | | |
| Contractually required contribution | \$ 2,045,807 | \$ 1,872,865 | \$ 1,484,686 |
| Contributions in relation to the contractually required contributions | \$ 2,045,807 | \$ 1,872,865 | \$ 1,484,686 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 31,171,337 | \$ 29,372,449 | \$ 26,710,560 |
| Contribution as a percentage of covered-employee payroll | 6.56% | 6.38% | 5.56% |
| Plan: TRS 1 | | | |
| Contractually required contribution | \$ 5,604,834 | \$ 4,935,204 | \$ 3,498,213 |
| Contributions in relation to the contractually required contributions | \$ 5,604,834 | \$ 4,935,204 | \$ 3,498,213 |
| Contribution deficiency (excess) | 0 | 0 | 0 |
| District's covered-employee payroll | \$ 89,873,171 | \$ 83,219,448 | \$ 76,034,791 |
| Contribution as a percentage of covered-employee payroll | 6.24% | 5.93% | 4.60% |
| Plan: TRS 2/3 | | | |
| Contractually required contribution | \$ 5,913,706 | \$ 5,296,086 | \$ 4,165,580 |
| Contributions in relation to the contractually required contributions | \$ 5,913,706 | \$ 5,296,086 | \$ 4,165,580 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 88,963,252 | \$ 82,150,225 | \$ 74,410,975 |
| Contribution as a percentage of covered-employee payroll | 6.65% | 6.45% | 5.60% |

*This schedule is to be built prospectively until it contains 10 years of data.

Supplemental Data

Supplemental data includes financial statements and schedules not required by the Governmental Accounting Standard Board (GASB), nor are they a part of the basic financial statements, but are presented for purposes of additional analysis.



AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2017 AND 2016

| | 2016-17 | 2015-16 |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 15,178,642 | \$ 13,725,606 |
| Property Tax Receivable | 19,970,981 | 19,016,579 |
| Accounts Receivable, Net | 494,237 | 201,385 |
| Interest Receivable | 16,779 | 10,768 |
| Interfund Receivable | 34,386 | 5,777 |
| Due From Other Governments | 2,489,495 | 2,197,400 |
| Inventories, at Cost | 867,014 | 395,350 |
| TOTAL ASSETS | \$ 39,051,536 | \$ 35,552,865 |
| LIABILITIES | | |
| Accounts Payable | 1,957,909 | 1,530,927 |
| Accrued Wages and Benefits Payable | 424,429 | 502,979 |
| Due To Other Governments | 15,009 | 8,070 |
| Interfund Payable | - | 15,855 |
| Unearned Revenue-Other | 405 | 1,125 |
| TOTAL LIABILITIES | \$ 2,397,752 | \$ 2,058,955 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Revenue-Property Taxes | 19,970,981 | 19,016,579 |
| Unavailable Revenue - Other | 343,865 | 106,834 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$ 20,314,846 | \$ 19,123,413 |
| FUND BALANCES | | |
| Nonspendable: | | |
| Inventories | 867,014 | 395,350 |
| Restricted: | | |
| Child Nutrition Services | 3,264,119 | 2,533,213 |
| Carryovers | 238,785 | 389,618 |
| Committed: | | |
| Held for Employee Benefits | 185,950 | 156,312 |
| Assigned: | | |
| Other Purposes | 2,100,000 | 2,100,000 |
| Unassigned: | 9,683,068 | 8,796,004 |
| TOTAL FUND BALANCES | \$ 16,338,938 | \$ 14,370,497 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 39,051,536 | \$ 35,552,865 |

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| | 2016-17 | | | 2015-16 |
|--|---------------------|----------------------|---------------------|----------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| REVENUES: | | | | |
| Source: | | | | |
| Local Taxes | 39,373,979 | 39,625,784 | 251,805 | 37,525,654 |
| Local Non-Tax | 7,886,184 | 4,567,368 | (3,318,814) | 4,292,936 |
| State, General Purpose | 111,001,307 | 110,895,901 | (105,406) | 103,776,587 |
| State, Special Purpose | 26,653,428 | 28,127,933 | 1,474,505 | 26,779,366 |
| Federal, General Purpose | 26,383 | 4,636 | (21,747) | 6,537 |
| Federal, Special Purpose | 16,095,897 | 15,798,013 | (297,886) | 15,782,107 |
| Revenues from other sources | 1,138,579 | 848,264 | (290,314) | 700,958 |
| TOTAL REVENUES | 202,175,757 | 199,867,900 | (2,307,857) | 188,864,146 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Regular Instruction | 118,949,723 | 113,800,902 | 5,148,821 | 105,595,810 |
| Special Instruction | 25,389,715 | 24,684,257 | 705,458 | 23,339,986 |
| Vocational Instruction | 6,835,926 | 6,866,517 | (30,591) | 6,622,913 |
| Compensatory Education | 14,643,285 | 15,161,857 | (518,572) | 14,286,026 |
| Other Educational Programs | 4,560,157 | 881,152 | 3,679,005 | 1,057,625 |
| Community Services | 1,382,601 | 971,631 | 410,970 | 1,044,885 |
| Support Services | 22,023,795 | 21,495,127 | 528,668 | 19,492,151 |
| Child Nutrition Services | 7,746,702 | 6,206,085 | 1,540,617 | 6,011,583 |
| Pupil Transportation Services | 7,593,855 | 7,185,911 | 407,944 | 6,878,537 |
| Capital Outlay - Equipment | 602,444 | 648,612 | (46,168) | 625,048 |
| TOTAL EXPENDITURES | 209,728,203 | 197,902,049 | 11,826,154 | 184,954,564 |
| Excess of Revenues Over (Under) Expenditures | (7,552,446) | 1,965,851 | 9,518,297 | 3,909,581 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Equipment | - | 2,590 | 2,590 | 8,250 |
| Total Other Financing Sources (Uses) | - | 2,590 | 2,590 | 8,250 |
| Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses | (7,552,446) | 1,968,441 | 9,520,887 | 3,917,831 |
| FUND BALANCE-September 1 | 14,000,000 | 14,370,497 | 370,497 | 10,452,666 |
| FUND BALANCE -August 31 | \$ 6,447,554 | \$ 16,338,938 | \$ 9,891,384 | \$ 14,370,497 |

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| DESCRIPTION | 2016-17 | | | 2015-16 |
|---|--------------------|--------------------|--------------------|--------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| LOCAL TAXES | | | | |
| Local Property Tax | \$ 39,372,722 | \$ 39,624,813 | \$ 252,091 | \$ 37,524,799 |
| Other Taxes | 1,257 | 971 | (286) | 855 |
| TOTAL LOCAL TAXES | 39,373,979 | 39,625,784 | 251,805 | 37,525,654 |
| LOCAL NON-TAX | | | | |
| Tuition & Fees, Unassigned | 179,433 | 162,532 | (16,901) | 163,619 |
| Summer School Tuition | - | 7,075 | 7,075 | 5,750 |
| Sales of Goods and Supplies | 232,000 | 278,828 | 46,828 | 221,267 |
| Sales of Goods and Supplies, Vocational | 59,395 | 78,012 | 18,617 | 344,767 |
| Other Community Services | 293,750 | 251,176 | (42,574) | 231,726 |
| Food Services Sales | 1,765,330 | 1,708,796 | (56,534) | 1,304,909 |
| Investment Earnings | 112,500 | 149,408 | 36,908 | 131,102 |
| Gifts & Donations | 4,161,834 | 576,914 | (3,584,920) | 671,407 |
| Fines & Damages | 22,000 | 64,420 | 42,420 | 20,945 |
| Rental of Property | 354,768 | 292,904 | (61,864) | 228,638 |
| Insurance Recoveries | - | 28,876 | 28,876 | 11,111 |
| Local Non-Tax Unassigned | 250,000 | 599,995 | 349,995 | 567,787 |
| E-Rate | 455,174 | 368,434 | (86,740) | 389,909 |
| TOTAL LOCAL NONTAX | 7,886,184 | 4,567,368 | (3,318,814) | 4,292,936 |
| STATE FUNDS, GENERAL PURPOSE | | | | |
| Apportionment | 101,810,446 | 101,723,195 | (87,251) | 95,441,177 |
| Apportionment-Special Education | 2,989,738 | 2,978,049 | (11,689) | 2,814,089 |
| Local Effort Assistance | 6,201,123 | 6,194,657 | (6,466) | 5,521,322 |
| TOTAL STATE, GENERAL PURPOSE | 111,001,307 | 110,895,901 | (105,406) | 103,776,587 |
| STATE FUNDS, SPECIAL PURPOSE | | | | |
| Special Purpose, Unassigned | 2,400 | 1,782 | (618) | 2,640 |
| Special Education | 11,370,562 | 12,548,430 | 1,177,868 | 11,648,018 |
| Learning Assistance | 4,063,409 | 4,237,673 | 174,264 | 4,131,616 |
| Special Pilot Programs | 1,235,890 | 1,183,280 | (52,610) | 761,033 |
| Transitional Bilingual | 2,983,574 | 3,152,265 | 168,691 | 2,688,827 |
| Special Education Infants and Toddlers | 761,919 | 640,263 | (121,656) | 669,927 |
| Highly Capable | 162,548 | 156,551 | (5,997) | 156,122 |
| School Food Services | 142,215 | 166,231 | 24,016 | 168,744 |
| Transportation - Operations | 5,922,911 | 6,039,771 | 116,860 | 6,148,689 |
| Other State Agencies, Unassigned | 8,000 | 1,687 | (6,313) | 403,751 |
| TOTAL STATE, SPECIAL PURPOSE | 26,653,428 | 28,127,933 | 1,474,505 | 26,779,366 |

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| DESCRIPTION | 2016-17 | | | 2015-16 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| FEDERAL FUNDS, GENERAL PURPOSE | | | | |
| Impact Aid | \$ 18,000 | \$ - | \$ (18,000) | \$ - |
| Federal Forests | 8,383 | 4,636 | (3,747) | 6,537 |
| TOTAL FEDERAL, GENERAL PURPOSE | 26,383 | 4,636 | (21,747) | 6,537 |
| FEDERAL, SPECIAL PURPOSE | | | | |
| Federal Stimulus | 223,408 | 335,260 | 111,852 | 1,013,667 |
| Special Purpose, Unassigned OSPI | 1,100,000 | 457,780 | (642,220) | 448,026 |
| Special Education, Medicaid Reimbursement | 315,000 | 237,518 | (77,482) | 299,799 |
| Special Education | 2,728,003 | 2,720,803 | (7,200) | 2,584,764 |
| Vocational Education | 124,673 | 151,895 | 27,222 | 126,673 |
| Disadvantaged, Title I | 4,080,329 | 4,105,323 | 24,994 | 4,062,246 |
| Title II | 510,051 | 573,459 | 63,408 | 342,935 |
| Special Purpose, Unassigned | - | - | - | - |
| Limited English Proficiency | 408,208 | 440,904 | 32,696 | 290,397 |
| Other Community Services | 250,000 | 177,299 | (72,701) | 188,186 |
| School Food Service | 5,195,000 | 4,907,741 | (287,259) | 4,851,095 |
| Other Title | - | - | - | 81,923 |
| Head Start | 643,860 | 621,164 | (22,696) | 663,300 |
| Indian Education | 82,365 | 176,847 | 94,482 | 50,936 |
| Medicaid Administrative Match | - | 213,383 | 213,383 | 246,241 |
| USDA Commodities | 435,000 | 678,635 | 243,635 | 531,919 |
| TOTAL FEDERAL, SPECIAL PURPOSE | 16,095,897 | 15,798,013 | (297,886) | 15,782,107 |
| REVENUES FROM OTHER DISTRICTS | | | | |
| Program Participation, Unassigned | - | 14,880 | 14,880 | 8589.78 |
| Special Education | - | 24,863 | 24,863 | 28968.7 |
| Transportation | - | 2,892 | 2,892 | 19,266 |
| Non-High Participation | 525,000 | 526,080 | 1,080 | 538,116 |
| TOTAL REVENUES FROM OTHER DISTRICTS | 525,000 | 568,715 | 43,715 | 594,940 |
| REVENUES FROM OTHER AGENCIES | | | | |
| Agency & Association Grants | 510,879 | 80,594 | (430,285) | - |
| Governmental Entities | 102,700 | 198,956 | 96,256 | 106,018 |
| TOTAL REVENUES FROM OTHER AGENCIES | 613,579 | 279,550 | (334,029) | 106,018 |
| REVENUES FROM OTHER FINANCING SOURCES | | | | |
| Sale of Equipment | - | 2,590 | 2,590 | 8,250 |
| TOTAL REVENUES FROM OTHER FINANCING SOURCES | - | 2,590 | 2,590 | 8,250 |
| TOTAL REVENUES | \$ 202,175,757 | \$ 199,870,490 | \$ (2,305,267) | \$ 188,872,396 |

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| PROGRAM | 2016-17 | | | 2015-16 |
|--|----------------------|----------------------|---------------------|----------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| REGULAR INSTRUCTION | | | | |
| Teaching | \$ 88,838,138 | \$ 85,539,464 | \$3,298,674 | \$ 79,224,567 |
| Extracurricular | 5,062,006 | 4,543,430 | 518,576 | 4,464,385 |
| Instructional Supervision | 1,877,705 | 1,773,796 | 103,909 | 1,769,094 |
| Learning Resources - Library Services | 3,146,996 | 3,013,688 | 133,308 | 2,895,672 |
| Principals | 12,435,034 | 12,060,604 | 374,430 | 10,672,760 |
| Guidance and Counseling | 4,074,230 | 3,816,332 | 257,898 | 3,552,231 |
| Pupil Management and Safety | 1,458,205 | 1,276,922 | 181,283 | 1,246,067 |
| Health Services - Psychologists, Nurses | 2,057,409 | 1,776,666 | 280,743 | 1,771,035 |
| Total Regular Instruction | 118,949,723 | 113,800,902 | 5,148,821 | 105,595,810 |
| SPECIAL INSTRUCTION | | | | |
| Basic State Program | 22,439,424 | 21,286,157 | 1,153,267 | 20,031,433 |
| Supplemental Federal Program | 2,950,291 | 3,398,099 | (447,808) | 3,308,553 |
| Other | - | - | - | - |
| Total Special Instruction | 25,389,715 | 24,684,257 | 705,458 | 23,339,986 |
| VOCATIONAL INSTRUCTION | | | | |
| Basic State Program | 6,714,370 | 6,717,571 | (3,201) | 6,493,248 |
| Supplemental Federal Program | 121,556 | 148,947 | (27,391) | 129,665 |
| Total Vocational Instruction | 6,835,926 | 6,866,517 | (30,591) | 6,622,913 |
| COMPENSATORY EDUCATION | | | | |
| Federal Remediation-Title I | 3,966,229 | 4,032,871 | (66,642) | 3,965,465 |
| Federal School Improvement ESEA | 545,260 | 570,017 | (24,757) | 334,538 |
| Federal Stimulus--State Fiscal Stabilization | - | - | - | - |
| Federal Stimulus--Other | 223,408 | 331,782 | (108,374) | 943,863 |
| Federal Other | 240,135 | 225,214 | 14,921 | 214,605 |
| State Remediation | 4,042,885 | 4,347,213 | (304,328) | 3,893,338 |
| Special and Pilot Programs | 1,432,517 | 1,257,022 | 175,495 | 1,206,808 |
| Federal Head Start | 638,172 | 619,500 | 18,672 | 618,541 |
| Federal Limited English Proficiency | 398,001 | 432,259 | (34,258) | 343,080 |
| State Transitional Bilingual | 3,074,315 | 3,165,512 | (91,197) | 2,714,853 |
| Federal Indian Education | 82,363 | 180,466 | (98,103) | 50,936 |
| Total Compensatory Education | \$ 14,643,285 | \$ 15,161,857 | \$ (518,572) | \$ 14,286,026 |

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| PROGRAM | 2016-17 | | | 2015-16 |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| OTHER EDUCATIONAL PROGRAMS | | | | |
| Summer School | \$ - | \$ 16,876 | \$ (16,876) | \$ 21,891 |
| Highly Capable | 142,233 | 138,764 | 3,469 | 140,122 |
| Other Instructional Programs | 4,417,924 | 725,511 | 3,692,413 | 895,611 |
| Total Other Educational Programs | 4,560,157 | 881,152 | 3,679,005 | 1,057,625 |
| COMMUNITY SERVICES | 1,382,601 | 971,631 | 410,970 | 1,044,885 |
| SUPPORT SERVICES | | | | |
| Board of Directors | 339,872 | 212,292 | 127,580 | 320,206 |
| Superintendent's Office | 493,500 | 462,019 | 31,481 | 443,480 |
| Business Services | 2,187,899 | 2,120,642 | 67,257 | 2,035,381 |
| Human Resources | 2,279,110 | 2,014,133 | 264,977 | 1,778,910 |
| Maintenance | 4,051,346 | 3,938,351 | 112,995 | 3,920,612 |
| Custodial | 5,266,640 | 5,184,960 | 81,680 | 5,131,004 |
| Utilities | 4,118,608 | 3,478,681 | 639,927 | 3,349,083 |
| Insurance | 848,500 | 799,323 | 49,177 | 781,752 |
| Building Security | 428,861 | 504,927 | (76,066) | 413,225 |
| Printing | 5,641 | (44,848) | 50,489 | (45,521) |
| Information Technology | 1,462,132 | 2,297,889 | (835,757) | 874,471 |
| Warehouse | 523,286 | 522,578 | 708 | 483,854 |
| Motor Pool | 18,400 | 4,179 | 14,221 | 5,695 |
| Total Support Services | 22,023,795 | 21,495,127 | 528,668 | 19,492,151 |
| CHILD NUTRITION SERVICES | 7,746,702 | 6,206,085 | 1,540,617 | 6,011,583 |
| PUPIL TRANSPORTATION SERVICES | 7,593,855 | 7,185,911 | 407,944 | 6,878,537 |
| CAPITAL OUTLAY-EQUIPMENT | 602,444 | 648,612 | (46,168) | 625,048 |
| Total Expenditures | \$ 209,728,203 | \$ 197,902,049 | \$ 11,826,154 | \$ 184,954,564 |

AUBURN SCHOOL DISTRICT NO. 408
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2017 AND 2016

| | 2016-17 | 2015-16 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 1,868,895 | \$ 1,706,019 |
| Accounts Receivable | - | - |
| Accrued Interest Receivable | 1,503 | 1,077 |
| Inventories at Cost | 1,187 | 251 |
| TOTAL ASSETS | \$ 1,871,586 | \$ 1,707,347 |
| LIABILITIES | | |
| Accounts Payable | 84,927 | 80,851 |
| Due to Other Governments | 980 | 1,529 |
| Interfund Payable | 3,703 | 5,427 |
| Unearned Revenue - Other | 211,901 | 165,883 |
| TOTAL LIABILITIES | \$ 301,511 | \$ 253,690 |
| FUND BALANCES | | |
| Nonspendable-Inventories | 1,187 | 251 |
| Restricted-Student Activities | 1,568,888 | 1,453,406 |
| TOTAL FUND BALANCES | \$ 1,570,075 | \$ 1,453,658 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 1,871,586 | \$ 1,707,347 |

AUBURN SCHOOL DISTRICT NO. 408
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| | 2016-17 | | | 2015-16 |
|---|---------------------|---------------------|--------------------|---------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| REVENUES | | | | |
| General | \$ 1,824,512 | \$ 658,595 | \$ (1,165,917) | \$ 658,600 |
| Athletics | 278,570 | 203,195 | (75,375) | 186,987 |
| Classes | 254,250 | 116,303 | (137,947) | 126,064 |
| Clubs | 2,214,885 | 1,251,025 | (963,860) | 1,306,061 |
| Other | 134,000 | 50,937 | (83,063) | 52,432 |
| Total Revenues | 4,706,217 | 2,280,054 | (2,426,163) | 2,330,145 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General | 1,341,435 | 494,983 | 846,452 | 512,812 |
| Athletics | 425,193 | 239,824 | 185,369 | 269,546 |
| Classes | 276,575 | 121,418 | 155,157 | 123,637 |
| Clubs | 2,520,444 | 1,260,623 | 1,259,821 | 1,356,072 |
| Other | 134,100 | 46,789 | 87,311 | 71,078 |
| Total Expenditures | 4,697,747 | 2,163,637 | 2,534,110 | 2,333,145 |
| Excess of Revenues Over (Under) Expenditures | 8,470 | 116,417 | 107,947 | (3,000) |
| FUND BALANCE - September 1 | 1,032,671 | 1,453,658 | 420,987 | 1,456,658 |
| FUND BALANCE - August 31 | \$ 1,041,141 | \$ 1,570,075 | \$ 528,934 | \$ 1,453,658 |

**AUBURN SCHOOL DISTRICT NO. 408
DEBT SERVICE FUND (BOND FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2017 AND 2016**

| | 2016-17 | 2015-16 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 12,406,426 | \$ 7,862,894 |
| Property Tax Receivable | \$ 13,954,569 | \$ 7,830,062 |
| Accrued Interest Receivable | \$ 11,577 | \$ 5,565 |
| TOTAL ASSETS | \$ 26,372,572 | \$ 15,698,521 |
| LIABILITIES | | |
| Accounts Payable | 6,722 | 10,488 |
| TOTAL LIABILITIES | \$ 6,722 | \$ 10,488 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Revenue-Property Taxes | 13,954,569 | 7,830,062 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$ 13,954,569 | \$ 7,830,062 |
| FUND BALANCE | | |
| Restricted for Debt Service | 12,411,281 | 7,857,971 |
| TOTAL FUND BALANCE | \$ 12,411,281 | \$ 7,857,971 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 26,372,572 | \$ 15,698,521 |

AUBURN SCHOOL DISTRICT NO. 408
DEBT SERVICE FUND (BOND FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| | 2016-17 | | | 2015-16 |
|--|---------------------|----------------------|---------------------|---------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| REVENUES | | | | |
| Local Taxes | \$ 16,545,121 | \$ 22,602,324 | \$ 6,057,203 | \$ 14,716,078 |
| Local Non-Tax | 40,161 | 58,332 | 18,171 | 55,605 |
| Total Revenues | 16,585,282 | 22,660,656 | 6,075,374 | 14,771,682 |
| EXPENDITURES | | | | |
| DEBT SERVICE | | | | |
| Principal Retirement | 10,635,000 | 10,635,000 | - | 6,535,000 |
| Interest on Bonds | 7,473,583 | 7,473,583 | 1 | 6,572,213 |
| Bond Transfer Fees | 3,000 | - | 3,000 | - |
| Underwriter's Fees | - | - | - | - |
| Total Expenditures | 18,111,583 | 18,108,583 | 3,001 | 13,107,213 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of Bonds | - | - | - | - |
| Issuance Premium | - | 1,237 | 1,237 | - |
| Total Other Financing Sources (Uses) | - | 1,237 | 1,237 | - |
| Excess of Revenues/Other Financing Sources Over (Under) Expenditures And Other Financing Uses | (1,526,301) | 4,553,311 | 6,079,612 | 1,664,470 |
| FUND BALANCE - September 1 | 7,745,000 | 7,857,971 | 112,971 | 6,193,501 |
| | | | | |
| FUND BALANCE -August 31 | \$ 6,218,699 | \$ 12,411,281 | \$ 6,192,582 | \$ 7,857,971 |

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2017 AND 2016

| | 2016-17 | 2015-16 |
|--|-----------------------|----------------------|
| ASSETS | | |
| Cash and Cash Equivalent | \$ 137,935,696 | \$ 44,117,672 |
| Property Tax Receivable | 1,835,264 | 1,841,508 |
| Accrued Interest Receivable | 130,475 | 30,867 |
| Interfund Receivable | - | 15,505 |
| Due From Other Governments | 323,608 | 624,968 |
| TOTAL ASSETS | \$ 140,225,042 | \$ 46,630,520 |
| LIABILITIES | | |
| Accounts Payable | 1,980,425 | 1,337,676 |
| Due to Other Governments | 21,261 | 33,472 |
| Interfund Payable | 30,683 | - |
| Unearned Revenues-Other | - | - |
| Deposits | 4,054 | 4,054 |
| TOTAL LIABILITIES | \$ 2,036,423 | \$ 1,375,203 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Revenue-Property Taxes | 1,835,264 | 1,841,508 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$ 1,835,264 | \$ 1,841,508 |
| FUND BALANCES | | |
| Restricted: | | |
| Bond Projects | 99,410,281 | 8,348,525 |
| Impact Fee Projects | 637,120 | - |
| State Proceeds | 21,988,072 | 21,835,336 |
| Committed: | | |
| Capital Improvement Levy Projects | 5,086,255 | 7,104,067 |
| Technology Levy Projects | (627,309) | (893,742) |
| Assigned: | | |
| Other Capital Projects | 9,858,936 | 7,019,623 |
| TOTAL FUND BALANCES | \$ 136,353,355 | \$ 43,413,809 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 140,225,042 | \$ 46,630,520 |

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| | 2016-17 | | | 2015-16 |
|--|----------------------|-----------------------|----------------------|----------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| REVENUES | | | | |
| Local Taxes | \$ 3,634,042 | \$ 3,667,880 | \$ 33,838 | \$ 5,746,591 |
| Local Non-Tax | 3,025,200 | 3,789,910 | 764,710 | 2,699,839 |
| State, Special Purpose | 10,000,000 | 209,664 | (9,790,336) | 9,564,157 |
| TOTAL REVENUES | 16,659,242 | 7,667,454 | (8,991,788) | 18,010,587 |
| EXPENDITURES | | | | |
| Capital Outlay | | | | |
| Sites | 15,813,513 | 52,117 | 15,761,396 | 9,614 |
| Building | 11,634,875 | 6,817,239 | 4,817,636 | 14,371,715 |
| Equipment | 5,000,000 | 2,746,338 | 2,253,662 | 3,276,025 |
| Energy | - | 196,113 | (196,113) | 256,179 |
| Bond Issuance | 471,612 | 471,611 | 1 | - |
| TOTAL EXPENDITURES | 32,920,000 | 10,283,419 | 22,636,581 | 17,913,533 |
| Excess Of Revenues Over (Under) Expenditures | (16,260,758) | (2,615,965) | 13,644,793 | 97,053 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds of Long-Term Debt | - | 90,535,000 | (90,535,000) | - |
| Issuance Premium | - | 5,020,511 | (5,020,511) | - |
| Total Other Financing Sources (Uses) | - | 95,555,511 | (95,555,511) | - |
| Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses | (16,260,758) | 92,939,546 | (81,910,717) | 97,053 |
| FUND BALANCE - September 1 | 40,522,320 | 43,413,809 | 95,652 | 43,316,756 |
| FUND BALANCE - August 31 | \$ 24,261,562 | \$ 136,353,355 | \$ 13,740,445 | \$ 43,413,809 |

**AUBURN SCHOOL DISTRICT NO. 408
TRANSPORTATION VEHICLE FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2017 AND 2016**

| | 2016-17 | 2015-16 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 2,502,368 | \$ 2,996,329 |
| Taxes Receivable | (50) | (48) |
| Due From Other Governments | - | - |
| Interfund Receivable | - | - |
| Interest Receivable | 1,690 | 1,597 |
| TOTAL ASSETS | \$ 2,504,009 | \$ 2,997,877 |
| LIABILITIES | | |
| Due to Other Governments | 624 | 964 |
| TOTAL LIABILITIES | \$ 624 | \$ 964 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Revenue-Property Taxes | (50) | (48) |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$ (50) | \$ (48) |
| FUND BALANCE | | |
| Restricted for Acquisition of School Buses | 2,503,434 | 2,996,961 |
| TOTAL FUND BALANCE | \$ 2,503,434 | \$ 2,996,961 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 2,504,009 | \$ 2,997,877 |

AUBURN SCHOOL DISTRICT NO. 408
TRANSPORTATION VEHICLE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2016)

| | 2016-17 | | | 2015-16 |
|--|---------------------|---------------------|---------------------|---------------------|
| | BUDGET | ACTUAL | VARIANCE | ACTUAL |
| REVENUES | | | | |
| Local Taxes | \$ - | \$ 1 | \$ 1 | \$ 8 |
| Local Non-Tax | 11,200 | 12,093 | 893 | 18,650 |
| State, Special Purpose | 741,597 | 729,046 | (12,551) | 781,365 |
| Other Financing Sources | - | 111,408 | 111,408 | 125,283 |
| TOTAL REVENUES | 752,797 | 852,548 | 99,751 | 925,307 |
| EXPENDITURES | | | | |
| Capital Outlay: | | | | |
| Equipment | 2,260,000 | 1,346,075 | 913,925 | - |
| TOTAL EXPENDITURES | 2,260,000 | 1,346,075 | 913,925 | - |
| Excess of Revenues (Under) Expenditures | (1,507,203) | (493,527) | 1,013,676 | 925,307 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sales of Surplus Buses | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES(USES) | - | - | - | - |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses | (1,507,203) | (493,527) | 1,013,676 | 925,307 |
| FUND BALANCE - September 1 | 1,109,088 | 2,996,961 | 1,887,873 | 2,071,654 |
| FUND BALANCE - August 31 | \$ (398,115) | \$ 2,503,434 | \$ 2,901,549 | \$ 2,996,961 |

**AUBURN SCHOOL DISTRICT NO. 408
PRIVATE PURPOSE TRUST
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2017 AND 2016**

| | 2016-17 | 2015-16 |
|---------------------------|-------------------|-------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 555,933 | \$ 617,209 |
| Accounts Receivable | - | - |
| Interest Receivable | 600 | 444 |
| TOTAL ASSETS | \$ 556,533 | \$ 617,653 |
| LIABILITIES | | |
| Accounts Payable | 1,105 | 34,461 |
| Total Liabilities | \$ 1,105 | \$ 34,461 |
| NET POSITION | \$ 555,427 | \$ 583,193 |

**AUBURN SCHOOL DISTRICT NO. 408
PRIVATE PURPOSE TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)**

| | 2016-17 | 2015-16 |
|-----------------------------------|-------------------|-------------------|
| ADDITIONS: | | |
| Donations | \$ 149,949 | \$ 246,017 |
| Investment Earnings: | 4,606 | - |
| TOTAL ADDITIONS | 154,555 | 246,017 |
| DEDUCTIONS: | | |
| Scholarships and Student Aid | 182,320 | 201,428 |
| Loss on Investments | - | - |
| TOTAL DEDUCTIONS | 182,320 | 201,428 |
| CHANGES IN NET POSITION | (27,765) | 44,590 |
| NET POSITION - September 1 | 583,193 | 538,603 |
| NET POSITION - August 31 | \$ 555,427 | \$ 583,193 |

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

| | BALANCE 9/1/2016 | INCREASES | DECREASES | BALANCE 8/31/2017 |
|--|-----------------------------|-----------------------|----------------------|------------------------------|
| Governmental Bonds Payable | | | | |
| 2004 UTGO Refunding Bonds | 3,890,000 | - | 3,890,000 | - |
| 2010 UTGO Refunding Bonds | 35,450,000 | - | - | 35,450,000 |
| 2012 UTGO Refunding Bonds | 8,855,000 | - | 100,000 | 8,755,000 |
| 2013 UTGO and Refunding Bonds | 70,195,000 | - | 3,305,000 | 66,890,000 |
| 2014 UTGO and Refunding Bonds | 37,360,000 | - | 3,340,000 | 34,020,000 |
| 2017 UTGO Bonds | - | 90,535,000 | - | 90,535,000 |
| Total Bonds Payable | 155,750,000 | 90,535,000 | 10,635,000 | 235,650,000 |
| Unamortized Bond Premium/Discount | 14,772,383 | 5,021,748 | 1,385,096 | 18,409,035 |
| Net Bonds Payable | 170,522,383 | 95,556,748 | 12,020,096 | 254,059,035 |
| Pension Liability | | | | |
| Net Pension Liability - PERS Plan 1 | 13,066,316 | - | 1,229,172 | 11,837,144 |
| Net Pension Liability - SERS Plans 2/3 | 10,281,628 | - | 2,828,128 | 7,453,500 |
| Net Pension Liability - TRS Plan 1 | 55,442,817 | - | 7,019,941 | 48,422,876 |
| Net Pension Liability - TRS Plans 2/3 | 22,282,564 | - | 7,469,124 | 14,813,440 |
| Total Pension Liability | 101,073,324 | - | 18,546,365 | 82,526,959 |
| Compensated Absences | 3,734,275 | 4,189,258 | 3,734,275 | 4,189,258 |
| Net OPEB Obligation | 17,458,418 | 1,857,204 | - | 19,315,622 |
| Total Long-Term Debt | \$ 292,788,400 | \$ 101,603,210 | \$ 34,300,736 | \$ 360,090,874 |

The notes to the basic financial statements are an integral part of this statement.

* See Note 6, 7, 8

AUBURN SCHOOL DISTRICT NO. 408

Schedule H-2

OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS DEBT SERVICE-AUGUST 31, 2017

| DUE DATE | Original Issue Amount \$27,785,000 2004 Refunding Bond Dated 3/1/2004 | | Original Issue Amount \$36,025,000 2010 Refunding Bond Dated 9/27/10 | | Original Issue Amount \$9,290,000 2012 Refunding Bond 5/7/2012 | | Original Issue Amount \$78,855,000 2013 UTGO and Refunding 1/8/2013 | | Original Issue Amount \$43,555,000 2014 UTGO and Refunding 2/7/2014 | | Original Issue Amount \$90,535,000 2017 UTGO 1/24/2017 | | TOTAL DEBT SERVICE | TOTAL CALENDAR YEAR |
|----------|--|----------|---|-----------|---|-----------|--|--------------|--|------------|---|--------------|--------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | |
| | 12/1/17 | - | - | 6,100,000 | 764,575 | 100,000 | 129,356 | 2,685,000 | 1,298,512.50 | 1,830,000 | 811,175.00 | 8,495,000 | | |
| 6/1/18 | - | - | - | 660,200 | - | 128,356 | - | 1,258,237.50 | - | 797,450.00 | - | 1,647,375.00 | 4,491,619 | |
| 12/1/18 | - | - | 6,540,000 | 660,200 | 100,000 | 128,357 | 2,485,000 | 1,258,237.50 | 1,460,000 | 797,450.00 | 8,785,000 | 1,647,375.00 | 23,861,620 | 28,353,238 |
| 6/1/19 | - | - | - | 542,100 | - | 127,356 | - | 1,220,962.50 | - | 768,250.00 | - | 1,471,675.00 | 4,130,344 | |
| 12/1/19 | - | - | 7,020,000 | 542,100 | 100,000 | 127,356 | 1,300,000 | 1,220,962.50 | 2,025,000 | 768,250.00 | 1,910,000 | 1,471,675.00 | 16,485,344 | 20,615,687 |
| 6/1/20 | - | - | - | 391,700 | - | 126,356 | - | 1,208,400.00 | - | 717,625.00 | - | 1,433,475.00 | 3,877,556 | |
| 12/1/20 | - | - | 7,575,000 | 391,700 | 120,000 | 126,357 | 2,750,000 | 1,208,400.00 | - | 717,625.00 | 2,240,000 | 1,433,475.00 | 16,562,557 | 20,440,113 |
| 6/1/21 | - | - | - | 205,375 | - | 124,556 | - | 1,153,400.00 | - | 717,625.00 | - | 1,377,475.00 | 3,578,431 | |
| 12/1/21 | - | - | 8,215,000 | 205,375 | 125,000 | 124,556 | 2,165,000 | 1,153,400.00 | 1,430,000 | 717,625.00 | 800,000 | 1,377,475.00 | 16,313,431 | 19,891,862 |
| 6/1/22 | - | - | - | - | - | 123,150 | - | 1,110,100.00 | - | 681,875.00 | - | 1,368,475.00 | 3,283,600 | |
| 12/1/22 | - | - | - | - | 8,210,000 | 123,150 | 2,310,000 | 1,110,100.00 | 1,230,000 | 684,875.00 | - | 1,368,475.00 | 15,036,600 | 18,320,200 |
| 6/1/23 | - | - | - | - | - | - | - | 1,063,900.00 | - | 651,125.00 | - | 1,368,475.00 | 3,083,500 | |
| 12/1/23 | - | - | - | - | - | - | 10,280,000 | 1,063,900.00 | 1,030,000 | 651,125.00 | 475,000 | 1,368,475.00 | 14,868,500 | 17,952,000 |
| 6/1/24 | - | - | - | - | - | - | - | 858,300.00 | - | 625,375.00 | - | 1,356,600.00 | 2,840,275 | |
| 12/1/24 | - | - | - | - | - | - | 10,080,000 | 858,300.00 | 775,000 | 625,375.00 | - | 1,356,600.00 | 13,695,275 | 16,535,550 |
| 6/1/25 | - | - | - | - | - | - | - | 656,700.00 | - | 606,000.00 | - | 1,356,600.00 | 2,619,300 | |
| 12/1/25 | - | - | - | - | - | - | 6,560,000 | 656,700.00 | 3,730,000 | 606,000.00 | - | 1,356,600.00 | 12,909,300 | 15,528,600 |
| 6/1/26 | - | - | - | - | - | - | - | 525,500.00 | - | 512,750.00 | - | 1,356,600.00 | 2,394,850 | |
| 12/1/26 | - | - | - | - | - | - | 6,315,000 | 525,500.00 | 3,325,000 | 512,750.00 | 500,000 | 1,356,600.00 | 12,534,850 | 14,929,700 |
| 6/1/27 | - | - | - | - | - | - | - | 399,200.00 | - | 429,625.00 | - | 1,346,600.00 | 2,175,425 | |
| 12/1/27 | - | - | - | - | - | - | 6,015,000 | 399,200.00 | 2,845,000 | 429,625.00 | 1,000,000 | 1,346,600.00 | 12,035,425 | 14,210,850 |
| 6/1/28 | - | - | - | - | - | - | - | 278,900.00 | - | 358,500.00 | - | 1,326,600.00 | 1,964,000 | |
| 12/1/28 | - | - | - | - | - | - | 5,285,000 | 278,900.00 | 2,660,000 | 358,500.00 | 1,000,000 | 1,326,600.00 | 10,909,000 | 12,873,000 |
| 6/1/29 | - | - | - | - | - | - | - | 173,200.00 | - | 292,000.00 | - | 1,306,600.00 | 1,771,800 | |
| 12/1/29 | - | - | - | - | - | - | 2,600,000 | 173,200.00 | 4,275,000 | 292,000.00 | 1,770,000 | 1,306,600.00 | 10,416,800 | 12,188,600 |
| 6/1/30 | - | - | - | - | - | - | - | 121,200.00 | - | 185,125.00 | - | 1,271,200.00 | 1,577,525 | |
| 12/1/30 | - | - | - | - | - | - | 2,340,000 | 121,200.00 | 3,320,000 | 185,125.00 | 4,800,000 | 1,271,200.00 | 12,037,525 | 13,615,050 |
| 6/1/31 | - | - | - | - | - | - | - | 74,400.00 | - | 102,125.00 | - | 1,175,200.00 | 1,351,725 | |
| 12/1/31 | - | - | - | - | - | - | 2,035,000 | 74,400.00 | 2,230,000 | 102,125.00 | 12,000,000 | 1,175,200.00 | 17,616,725 | 18,968,450 |
| 6/1/32 | - | - | - | - | - | - | - | 33,700.00 | - | 46,375.00 | - | 935,200.00 | 1,015,275 | |
| 12/1/32 | - | - | - | - | - | - | 1,685,000 | 33,700.00 | 990,000 | 46,375.00 | 14,500,000 | 935,200.00 | 18,190,275 | 19,205,550 |
| 6/1/33 | - | - | - | - | - | - | - | - | - | 21,625.00 | - | 645,200.00 | 666,825 | |
| 12/1/33 | - | - | - | - | - | - | - | - | 865,000 | 21,625.00 | 16,000,000 | 645,200.00 | 17,531,825 | 18,198,650 |
| 6/1/34 | - | - | - | - | - | - | - | - | - | - | - | 325,200.00 | 325,200 | |
| 12/1/34 | - | - | - | - | - | - | - | - | - | - | 5,000,000 | 325,200.00 | 5,325,200 | 5,650,400 |
| 6/1/35 | - | - | - | - | - | - | - | - | - | - | - | 225,200.00 | 225,200 | |
| 12/1/35 | - | - | - | - | - | - | - | - | - | - | 5,440,000 | 225,200.00 | 5,665,200 | 5,890,400 |
| 6/1/36 | - | - | - | - | - | - | - | - | - | - | - | 116,400.00 | 116,400 | |
| 12/1/36 | - | - | - | - | - | - | - | - | - | - | 5,820,000 | 116,400.00 | 5,936,400 | 6,052,800 |
| Total | - | - | 35,450,000 | 4,363,325 | 8,755,000 | 1,388,906 | 66,890,000 | 21,570,713 | 34,020,000 | 15,841,075 | 90,535,000 | 44,595,100 | 323,409,119 | 327,664,958 |

AUBURN SCHOOL DISTRICT #408
SCHEDULE OF CAPITAL ASSETS BY LOCATION
AUGUST 31, 2017

| PROPERTY | LOCATION | LAND | BUILDINGS & IMPROVEMENTS | CONSTRUCTION IN PROGRESS | EQUIPMENT | TOTALS |
|----------------------------------|-----------------------|----------------------|-----------------------------|-----------------------------|----------------------|-----------------------|
| SENIOR HIGH SCHOOLS | | | | | | |
| Auburn | 800 4th Street N.E. | \$ 1,831,610 | \$ 112,539,489 | | \$ 1,223,545 | \$ 115,594,644 |
| Auburn Riverside | 501 Oravetz Rd | 4,476,766 | 39,098,454 | | 821,111 | 44,396,331 |
| Auburn Mountainview | 28900 124th Ave SE | 4,129,915 | 48,809,042 | | 516,663 | 53,455,620 |
| West Auburn | 401 West Main Street | 16,650 | 4,228,179 | | 52,304 | 4,297,133 |
| Auburn Memorial | 801 4th Street N.E. | 692,294 | 6,800,402 | | 68,491 | 7,561,187 |
| MIDDLE SCHOOLS | | | | | | |
| Cascade | 1015 24th Street NE | 121,486 | 12,224,948 | | 153,454 | 12,499,889 |
| Mt. Baker | 620 37th Street SE | 2,923,600 | 14,313,160 | | 172,834 | 17,409,594 |
| Olympic | 1825 "K" Street SE | 92,532 | 9,644,488 | | 117,610 | 9,854,630 |
| Rainier | 30620 116th Ave. SE | 107,681 | 13,890,958 | | 119,166 | 14,117,805 |
| ELEMENTARY SCHOOLS | | | | | | |
| Alpac | 310 Milwaukee Blvd N. | 83,007 | 7,266,445 | | 142,329 | 7,491,781 |
| Arthur Jacobsen | 29205 132nd St SE | 1,006,023 | 20,292,242 | | 178,491 | 21,476,756 |
| Chinook | 3502 Auburn Way S. | 32,985 | 3,674,697 | | 183,244 | 3,890,926 |
| Dick Scobee | 1031 14th Street NE | 9,731 | 4,712,970 | | 79,700 | 4,802,401 |
| Evergreen Heights | 5602 So 316th | 22,223 | 5,898,444 | | 155,345 | 6,076,012 |
| Gildo Rey | 1005 37th Street SE | 30,232 | 5,912,119 | | 123,376 | 6,065,727 |
| Hazelwood | 11815 SE 304th Street | 230,323 | 7,553,566 | | 127,925 | 7,911,813 |
| Ilalko | 301 Oravetz Pl SE | 2,007,182 | 7,873,212 | | 163,327 | 10,043,721 |
| Lake View | 16401 SE 318th | 408,702 | 7,196,391 | | 168,578 | 7,773,671 |
| Lakeland Hills | 1020 Evergreen Way SE | 3,093,020 | 14,688,175 | | 142,029 | 17,923,224 |
| Lea Hill | 30908 124th Ave. SE | 21,620 | 3,925,479 | | 136,513 | 4,083,612 |
| Pioneer | 2301 "M" Street SE | 18,082 | 3,636,412 | | 181,850 | 3,836,344 |
| Terminal Park | 1101 "D" Street SE | 26,603 | 3,134,184 | | 180,932 | 3,341,720 |
| Washington | 20 "E" Street NE | 10,000 | 7,425,553 | | 158,603 | 7,594,156 |
| ADMIN. & SERV. BLDGS. | | | | | | |
| James P. Fugate | 915 4th Street NE | 88,690 | 3,858,554 | | 1,297,894 | 5,245,139 |
| Annex | 502 4th Street NE | 183,646 | 653,035 | | 23,772 | 860,453 |
| Support Services Center | 1302 4th Street SW | 1,046,802 | 4,466,330 | | 1,822,321 | 7,335,453 |
| Transportation | 615 15th Street SW | 18 | 4,661,051 | | 13,209,025 | 17,870,094 |
| TAP | 501 3rd St NE | 154,552 | 879,951 | | | 1,034,503 |
| Pool | 516 4th St NE | | 2,959,297 | | | 2,959,297 |
| Portables | Misc | | 7,316,251 | | | 7,316,251 |
| Head Start | 2236 K St SE | 143,484 | 224,424 | | | 367,908 |
| Misc Site | Misc | 19,125,764 | 1,176,368 | | | 20,302,132 |
| Construction in Progress | | | | 3,404,879 | | 3,404,879 |
| TOTALS | | \$ 42,135,223 | \$ 390,934,272 | \$ 3,404,879 | \$ 21,720,434 | \$ 458,194,808 |

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN CAPITAL ASSETS
AUGUST 31, 2017

| CAPITAL ASSET TYPES | CAPITAL ASSETS 9/1/2016 | ADDITIONS | DELETIONS | CAPITAL ASSETS 8/31/2017 |
|--|----------------------------|--------------|--------------|-----------------------------|
| Land and Improvements | \$ 40,494,475 | \$ 1,640,748 | \$ - | \$ 42,135,223 |
| Building and Improvements | 391,667,787 | 19,985,552 | (20,719,068) | 390,934,271 |
| Equipment | 19,806,912 | 2,044,158 | (130,636) | 21,720,433 |
| Construction In Progress | 25,683,425 | 10,283,419 | (32,561,964) | 3,404,879 |
| Totals at Historical Cost | 477,652,599 | 33,953,877 | (53,411,669) | 458,194,807 |
| Less: Accumulated Depreciation | | | | |
| Building and Improvements | (117,829,240) | (8,624,682) | 14,155,707 | (112,298,214) |
| Equipment | (15,151,073) | (1,130,750) | 106,223 | (16,175,599) |
| Total Accumulated Depreciation | (132,980,313) | (9,755,431) | 14,261,931 | (128,473,813) |
| Capital Assets, Net of Accumulated Depreciation | 344,672,287 | 24,198,445 | (39,149,738) | 329,720,994 |

**AUBURN SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF AUGUST 31, 2017**

| FUNCTION & ACTIVITY | LAND | BUILDINGS & IMPROVEMENTS | CONSTRUCTION IN PROGRESS | EQUIPMENT | TOTALS |
|-------------------------------------|----------------------|-----------------------------|-----------------------------|----------------------|-----------------------|
| ADMINISTRATION | | | | | |
| Administration | \$ - | \$ - | | \$ 155,205 | \$ 155,205 |
| General Buildings | 272,336 | 4,511,589 | | | 4,783,925 |
| Total | 272,336 | 4,511,589 | | 155,205 | 4,939,130 |
| INSTRUCTION | | | | | |
| Supervision | | | | | - |
| Learning Resources | | | | 95,727 | 95,727 |
| Teaching | | | | 1,453,469 | 1,453,469 |
| Extracurricular | | | | 3,272,293 | 3,272,293 |
| School Buildings | 40,816,067 | 377,295,301 | | 487,692 | 418,599,061 |
| Total | 40,816,067 | 377,295,301 | | 5,309,181 | 423,420,550 |
| CHILD NUTRITION SERVICES | | | | | |
| Operations | | | | 302,182 | 302,182 |
| Total | - | - | | 302,182 | 302,182 |
| PUPIL TRANSPORTATION | | | | | |
| Supervision | 18 | 4,661,051 | | 129,362 | 4,790,431 |
| Maintenance | | | | 12,788,011 | 12,788,011 |
| Total | 18 | 4,661,051 | | 12,917,373 | 17,578,442 |
| MAINTENANCE & OPERATIONS | | | | | |
| Supervision | 1,046,802 | 4,466,330 | | 58,805 | 5,571,937 |
| Ground Care | | | | 464,844 | 464,844 |
| Operations of Plant | | | | 439,850 | 439,850 |
| Maintenance | | | | 744,784 | 744,784 |
| Total | 1,046,802 | 4,466,330 | | 1,708,282 | 7,221,414 |
| OTHER SERVICES | | | | | |
| Information Technologies | | | | 994,065 | 994,065 |
| Printing & Graphics | | | | 77,644 | 77,644 |
| Warehousing | | | | 256,501 | 256,501 |
| Total | | | | 1,328,210 | 1,328,210 |
| Construction-In-Progress | | | 3,404,879 | | 3,404,879 |
| TOTALS | \$ 42,135,223 | \$ 390,934,272 | \$ 3,404,879 | \$ 21,720,434 | \$ 458,194,808 |

AUBURN SCHOOL DISTRICT NO. 408
SUMMARY AMORTIZATION SCHEDULE FOR ALL OUTSTANDING BONDS
BOND PREMIUM, DISCOUNT, REFUNDING ADJUSTMENT
FOR THE YEAR ENDED AUGUST 31, 2017

| Date | Payment | Interest Expense | Premium/ Discount Amortized | Unamortized Premium/ Discount | Principal | Refunding Adjustment Amortized | Unamortized Refunding Adjustment | Bond Carrying Value |
|----------|------------|------------------|-----------------------------|-------------------------------|------------|--------------------------------|----------------------------------|---------------------|
| 03/02/04 | \$ - | \$ - | \$ - | \$ 1,464,510 | \$ - | \$ - | \$ 1,656,581 | \$ 26,145,609 |
| 06/01/04 | 278,235 | 278,235 | 56,327 | 1,408,183 | - | 138,049 | 1,518,532 | 26,227,331 |
| 12/01/04 | 1,121,471 | 556,471 | 56,327 | 1,351,856 | 565,000 | 138,048 | 1,380,484 | 25,744,052 |
| 06/01/05 | 725,820 | 550,820 | 56,327 | 1,295,529 | 175,000 | 138,049 | 1,242,435 | 25,650,774 |
| 12/01/05 | 549,071 | 549,071 | 56,327 | 1,239,202 | - | 138,048 | 1,104,387 | 25,732,495 |
| 06/01/06 | 724,070 | 549,070 | 56,327 | 1,182,875 | 175,000 | 138,049 | 966,338 | 25,639,217 |
| 12/01/06 | 547,321 | 547,321 | 56,327 | 1,126,548 | - | 138,048 | 828,290 | 25,720,938 |
| 06/01/07 | 727,320 | 547,320 | 56,327 | 1,070,221 | 180,000 | 138,048 | 690,242 | 25,622,659 |
| 12/01/07 | 545,521 | 545,521 | 56,327 | 1,013,894 | - | 138,049 | 552,193 | 25,704,381 |
| 06/01/08 | 730,521 | 545,521 | 56,327 | 957,567 | 185,000 | 138,048 | 414,145 | 25,601,102 |
| 12/01/08 | 543,439 | 543,439 | 56,327 | 901,240 | - | 138,048 | 276,097 | 25,682,823 |
| 06/01/09 | 733,440 | 543,440 | 56,327 | 844,913 | 190,000 | 138,049 | 138,048 | 25,574,545 |
| 12/01/09 | 541,064 | 541,064 | 56,327 | 788,586 | - | 138,048 | - | 25,656,266 |
| 06/01/10 | 2,156,064 | 541,064 | 56,327 | 732,259 | 1,615,000 | - | - | 23,984,939 |
| 12/01/10 | 2,966,189 | 791,189 | 271,143 | 5,401,872 | 2,175,000 | 154,681 | 3,402,966 | 65,907,519 |
| 06/01/11 | 3,087,870 | 1,257,870 | 271,143 | 5,130,730 | 1,830,000 | 154,681 | 3,248,285 | 63,651,695 |
| 12/01/11 | 3,058,133 | 1,228,133 | 271,143 | 4,859,587 | 1,830,000 | 154,681 | 3,093,604 | 61,395,872 |
| 06/01/12 | 2,995,683 | 1,200,683 | 271,143 | 5,295,449 | 1,795,000 | 154,681 | 4,047,439 | 71,727,888 |
| 12/01/12 | 3,251,938 | 1,321,938 | 304,810 | 13,870,690 | 1,930,000 | 207,468 | 5,741,860 | 158,922,551 |
| 06/01/13 | 2,325,951 | 2,325,951 | 526,811 | 13,343,880 | - | 255,015 | 5,486,845 | 158,140,725 |
| 12/01/13 | 13,239,714 | 2,744,714 | 526,811 | 12,817,069 | 10,495,000 | 255,015 | 5,231,830 | 146,863,900 |
| 06/01/14 | 5,150,360 | 3,135,360 | 657,936 | 17,404,129 | 2,015,000 | 254,509 | 4,957,132 | 192,716,262 |
| 12/01/14 | 11,509,068 | 3,439,068 | 657,936 | 16,746,194 | 8,070,000 | 254,509 | 4,702,623 | 183,733,818 |
| 06/01/15 | 3,354,469 | 3,354,469 | 657,936 | 16,088,258 | - | 254,509 | 4,448,114 | 182,821,373 |
| 12/01/15 | 9,889,469 | 3,354,469 | 657,936 | 15,430,323 | 6,535,000 | 254,509 | 4,193,605 | 175,373,929 |
| 06/01/16 | 3,217,744 | 3,217,744 | 657,936 | 14,772,387 | - | 254,509 | 3,939,096 | 174,461,484 |
| 12/01/16 | 13,852,744 | 3,217,744 | 657,944 | 14,114,444 | 10,635,000 | 254,509 | 3,684,587 | 162,914,032 |
| 06/01/17 | 4,255,839 | 4,255,839 | 727,153 | 18,409,039 | - | 254,509 | 3,430,078 | 257,489,118 |
| 12/01/17 | 23,988,419 | 4,778,419 | 727,153 | 17,681,887 | 19,210,000 | 254,508 | 3,175,570 | 237,297,458 |
| 06/01/18 | 4,491,619 | 4,491,619 | 727,153 | 16,954,734 | - | 254,508 | 2,921,062 | 236,315,797 |
| 12/01/18 | 23,861,619 | 4,491,619 | 727,153 | 16,227,582 | 19,370,000 | 254,508 | 2,666,554 | 215,964,137 |
| 06/01/19 | 4,130,344 | 4,130,344 | 727,153 | 15,500,429 | - | 254,508 | 2,412,046 | 214,982,476 |
| 12/01/19 | 16,485,344 | 4,130,344 | 727,153 | 14,773,277 | 12,355,000 | 254,508 | 2,157,538 | 201,645,816 |
| 06/01/20 | 3,877,556 | 3,877,556 | 727,153 | 14,046,124 | - | 254,508 | 1,903,030 | 200,664,155 |
| 12/01/20 | 16,562,556 | 3,877,556 | 727,153 | 13,318,972 | 12,685,000 | 254,508 | 1,648,522 | 186,997,495 |
| 06/01/21 | 3,578,431 | 3,578,431 | 727,153 | 12,591,819 | - | 254,508 | 1,394,014 | 186,015,834 |
| 12/01/21 | 16,313,431 | 3,578,431 | 727,151 | 11,864,669 | 12,735,000 | 254,508 | 1,139,506 | 172,299,175 |
| 06/01/22 | 3,283,602 | 3,283,602 | 512,336 | 11,352,333 | - | 99,828 | 1,039,678 | 171,687,011 |
| 12/01/22 | 15,036,602 | 3,286,602 | 512,336 | 10,839,997 | 11,750,000 | 99,828 | 939,850 | 159,324,847 |
| 06/01/23 | 3,083,500 | 3,083,500 | 478,670 | 10,361,327 | - | 47,042 | 892,808 | 158,799,135 |
| 12/01/23 | 14,868,500 | 3,083,500 | 478,670 | 9,882,657 | 11,785,000 | 47,042 | 845,766 | 146,488,423 |
| 06/01/24 | 2,840,275 | 2,840,275 | 478,670 | 9,403,987 | - | 47,043 | 798,723 | 145,962,710 |
| 12/01/24 | 13,695,275 | 2,840,275 | 478,670 | 8,925,317 | 10,855,000 | 47,043 | 751,680 | 134,581,997 |
| 06/01/25 | 2,619,300 | 2,619,300 | 478,670 | 8,446,647 | - | 47,043 | 704,637 | 134,056,284 |
| 12/01/25 | 12,909,300 | 2,619,300 | 478,670 | 7,967,977 | 10,290,000 | 47,043 | 657,594 | 123,240,571 |
| 06/01/26 | 2,394,850 | 2,394,850 | 478,670 | 7,489,307 | - | 47,043 | 610,551 | 122,714,858 |
| 12/01/26 | 12,534,850 | 2,394,850 | 478,670 | 7,010,637 | 10,140,000 | 47,043 | 563,508 | 112,049,145 |
| 06/01/27 | 2,175,425 | 2,175,425 | 478,670 | 6,531,967 | - | 47,043 | 516,465 | 111,523,432 |
| 12/01/27 | 12,035,425 | 2,175,425 | 478,670 | 6,053,297 | 9,860,000 | 47,043 | 469,422 | 101,137,719 |
| 06/01/28 | 1,964,000 | 1,964,000 | 478,670 | 5,574,627 | - | 47,043 | 422,379 | 100,612,006 |
| 12/01/28 | 10,909,000 | 1,964,000 | 478,670 | 5,095,957 | 8,945,000 | 47,043 | 375,336 | 91,141,293 |
| 06/01/29 | 1,771,800 | 1,771,800 | 478,670 | 4,617,287 | - | 47,043 | 328,293 | 90,615,580 |
| 12/01/29 | 10,416,800 | 1,771,800 | 478,670 | 4,138,617 | 8,645,000 | 47,043 | 281,250 | 81,444,867 |
| 06/01/30 | 1,577,525 | 1,577,525 | 478,670 | 3,659,947 | - | 47,043 | 234,207 | 80,919,154 |
| 12/01/30 | 12,037,525 | 1,577,525 | 478,670 | 3,181,277 | 10,460,000 | 47,043 | 187,164 | 69,933,441 |
| 06/01/31 | 1,351,725 | 1,351,725 | 478,670 | 2,702,607 | - | 47,043 | 140,121 | 69,407,728 |
| 12/01/31 | 17,616,725 | 1,351,725 | 478,670 | 2,223,937 | 16,265,000 | 47,043 | 93,078 | 52,617,015 |
| 06/01/32 | 1,015,275 | 1,015,275 | 478,670 | 1,745,267 | - | 47,043 | 46,035 | 52,091,302 |

AUBURN SCHOOL DISTRICT NO. 408
SUMMARY AMORTIZATION SCHEDULE FOR ALL OUTSTANDING BONDS
BOND PREMIUM, DISCOUNT, REFUNDING ADJUSTMENT
FOR THE YEAR ENDED AUGUST 31, 2017

| Date | Payment | Interest Expense | Premium/ Discount Amortized | Unamortized Premium/ Discount | Principal | Refunding Adjustment Amortized | Unamortized Refunding Adjustment | Bond Carrying Value |
|----------|-----------------------|-----------------------|--------------------------------|-------------------------------------|-----------------------|--------------------------------------|-------------------------------------|------------------------|
| 12/01/32 | 18,190,275 | 1,015,275 | 478,669 | 1,266,598 | 17,175,000 | 47,043 | (1,008) | 34,390,591 |
| 06/01/33 | 666,825 | 666,825 | 256,669 | 1,009,930 | | (504) | (504) | 34,134,426 |
| 12/01/33 | 17,531,825 | 666,825 | 256,669 | 753,261 | 16,865,000 | (504) | - | 17,013,262 |
| 06/01/34 | 325,200 | 325,200 | 125,544 | 627,718 | | - | - | 16,887,718 |
| 12/01/34 | 5,325,200 | 325,200 | 125,544 | 502,174 | 5,000,000 | - | - | 11,762,175 |
| 06/01/35 | 225,200 | 225,200 | 125,544 | 376,631 | - | - | - | 11,636,631 |
| 12/01/35 | 5,665,200 | 225,200 | 125,544 | 251,087 | 5,440,000 | - | - | 6,071,088 |
| 06/01/36 | 116,400 | 116,400 | 125,544 | 125,544 | | - | - | 5,945,544 |
| 12/01/36 | 5,936,400 | 116,400 | 125,544 | - | 5,820,000 | - | - | - |
| | <u>\$ 415,487,645</u> | <u>\$ 129,442,645</u> | <u>\$ 26,259,064</u> | | <u>\$ 286,045,000</u> | <u>\$ 8,204,444</u> | | |

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2004 BONDS
FOR THE YEAR ENDED AUGUST 31, 2017

| 2004 Unlimited Tax General Obligation Refunding Bonds (Refunded 1997 Bonds) | | | | | | | | |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|--------------------------------|----------------------------------|---------------------|
| Date | Payment | Interest Expense | Premium Amortized | Unamortized Premium | Principal | Refunding Adjustment Amortized | Unamortized Refunding Adjustment | Bond Carrying Value |
| 03/02/04 | \$ - | \$ - | \$ - | \$ 1,464,510 | \$ - | \$ - | \$ 1,656,581 | \$ 27,592,929 |
| 06/01/04 | 278,235 | 278,235 | 56,327 | 1,408,183 | - | 138,049 | 1,518,532 | 27,674,651 |
| 12/01/04 | 1,121,471 | 556,471 | 56,327 | 1,351,856 | 565,000 | 138,048 | 1,380,484 | 27,191,372 |
| 06/01/05 | 725,820 | 550,820 | 56,327 | 1,295,529 | 175,000 | 138,049 | 1,242,435 | 27,098,094 |
| 12/01/05 | 549,071 | 549,071 | 56,327 | 1,239,202 | - | 138,048 | 1,104,387 | 27,179,815 |
| 06/01/06 | 724,070 | 549,070 | 56,327 | 1,182,875 | 175,000 | 138,049 | 966,338 | 27,086,537 |
| 12/01/06 | 547,321 | 547,321 | 56,327 | 1,126,548 | - | 138,048 | 828,290 | 27,168,258 |
| 06/01/07 | 727,320 | 547,320 | 56,327 | 1,070,221 | 180,000 | 138,048 | 690,242 | 27,069,979 |
| 12/01/07 | 545,521 | 545,521 | 56,327 | 1,013,894 | - | 138,049 | 552,193 | 27,151,701 |
| 06/01/08 | 730,521 | 545,521 | 56,327 | 957,567 | 185,000 | 138,048 | 414,145 | 27,048,422 |
| 12/01/08 | 543,439 | 543,439 | 56,327 | 901,240 | - | 138,048 | 276,097 | 27,130,143 |
| 06/01/09 | 733,440 | 543,440 | 56,327 | 844,913 | 190,000 | 138,049 | 138,048 | 27,021,865 |
| 12/01/09 | 541,064 | 541,064 | 56,327 | 788,586 | - | 138,048 | - | 27,103,586 |
| 06/01/10 | 2,156,064 | 541,064 | 56,327 | 732,259 | 1,615,000 | - | - | 25,432,259 |
| 12/01/10 | 2,117,296 | 517,296 | 56,327 | 675,932 | 1,600,000 | - | - | 23,775,932 |
| 06/01/11 | 2,323,295 | 493,295 | 56,327 | 619,605 | 1,830,000 | - | - | 21,889,605 |
| 12/01/11 | 2,293,558 | 463,558 | 56,327 | 563,278 | 1,830,000 | - | - | 20,003,278 |
| 06/01/12 | 2,231,108 | 436,108 | 56,327 | 506,951 | 1,795,000 | - | - | 18,151,951 |
| 12/01/12 | 2,199,696 | 404,696 | 56,327 | 450,624 | 1,795,000 | - | - | 16,300,624 |
| 06/01/13 | 368,796 | 368,796 | 56,327 | 394,297 | - | - | - | 16,244,297 |
| 12/01/13 | 4,378,795 | 368,795 | 56,327 | 337,970 | 4,010,000 | - | - | 12,177,970 |
| 06/01/14 | 2,283,546 | 268,546 | 56,327 | 281,643 | 2,015,000 | - | - | 10,106,643 |
| 12/01/14 | 2,247,024 | 232,024 | 56,327 | 225,316 | 2,015,000 | - | - | 8,035,316 |
| 06/01/15 | 195,250 | 195,250 | 56,327 | 168,989 | - | - | - | 7,978,989 |
| 12/01/15 | 4,115,250 | 195,250 | 56,327 | 112,662 | 3,920,000 | - | - | 4,002,662 |
| 06/01/16 | 97,250 | 97,250 | 56,327 | 56,335 | - | - | - | 3,946,335 |
| 12/01/16 | 3,987,250 | 97,250 | 56,335 | - | 3,890,000 | - | - | - |
| | <u>\$38,761,471</u> | <u>\$ 10,976,471</u> | <u>\$ 1,464,510</u> | | <u>\$27,785,000</u> | <u>\$ 1,656,581</u> | | |

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2010 BONDS
FOR THE YEAR ENDED AUGUST 31, 2017

| 2010 Unlimited Tax General Obligation Bonds | | | | | | | | | |
|--|-------------------------|-------------------------|--------------------------|----------------------------|----------------------|---------------------------------------|---|----------------------------|--|
| Date | Payment | Interest Expense | Premium Amortized | Unamortized Premium | Principal | Refunding Adjustment Amortized | Unamortized Refunding Adjustment | Bond Carrying Value | |
| 9/27/2010 | \$ - | \$ - | \$ - | \$ 4,940,756 | \$ - | \$ - | \$ 3,557,647 | \$ 44,523,403 | |
| 12/1/2010 | 848,893.33 | 273,893.33 | 214,815.50 | 4,725,940 | 575,000 | 154,681 | 3,402,966 | 43,578,906 | |
| 6/1/2011 | 764,575.00 | 764,575.00 | 214,815.50 | 4,511,125 | - | 154,681 | 3,248,285 | 43,209,410 | |
| 12/1/2011 | 764,575.00 | 764,575.00 | 214,815.50 | 4,296,309 | - | 154,681 | 3,093,604 | 42,839,913 | |
| 6/1/2012 | 764,575.00 | 764,575.00 | 214,815.50 | 4,081,494 | - | 154,681 | 2,938,923 | 42,470,417 | |
| 12/1/2012 | 764,575.00 | 764,575.00 | 214,815.50 | 3,866,678 | - | 154,681 | 2,784,242 | 42,100,920 | |
| 6/1/2013 | 764,575.00 | 764,575.00 | 214,815.50 | 3,651,863 | - | 154,681 | 2,629,561 | 41,731,424 | |
| 12/1/2013 | 764,575.00 | 764,575.00 | 214,815.50 | 3,437,047 | - | 154,681 | 2,474,880 | 41,361,927 | |
| 6/1/2014 | 764,575.00 | 764,575.00 | 214,815.50 | 3,222,232 | - | 154,680 | 2,320,200 | 40,992,432 | |
| 12/1/2014 | 764,575.00 | 764,575.00 | 214,815.50 | 3,007,416 | - | 154,680 | 2,165,520 | 40,622,936 | |
| 6/1/2015 | 764,575.00 | 764,575.00 | 214,815.50 | 2,792,601 | - | 154,680 | 2,010,840 | 40,253,441 | |
| 12/1/2015 | 764,575.00 | 764,575.00 | 214,815.50 | 2,577,785 | - | 154,680 | 1,856,160 | 39,883,945 | |
| 6/1/2016 | 764,575.00 | 764,575.00 | 214,815.50 | 2,362,970 | - | 154,680 | 1,701,480 | 39,514,450 | |
| 12/1/2016 | 764,575.00 | 764,575.00 | 214,815.50 | 2,148,154 | - | 154,680 | 1,546,800 | 39,144,954 | |
| 6/1/2017 | 764,575.00 | 764,575.00 | 214,815.50 | 1,933,339 | - | 154,680 | 1,392,120 | 38,775,459 | |
| 12/1/2017 | 6,864,575.00 | 764,575.00 | 214,815.50 | 1,718,523 | 6,100,000 | 154,680 | 1,237,440 | 32,305,963 | |
| 6/1/2018 | 660,200.00 | 660,200.00 | 214,815.50 | 1,503,708 | - | 154,680 | 1,082,760 | 31,936,468 | |
| 12/1/2018 | 7,200,200.00 | 660,200.00 | 214,815.50 | 1,288,892 | 6,540,000 | 154,680 | 928,080 | 25,026,972 | |
| 6/1/2019 | 542,100.00 | 542,100.00 | 214,815.50 | 1,074,077 | - | 154,680 | 773,400 | 24,657,477 | |
| 12/1/2019 | 7,562,100.00 | 542,100.00 | 214,815.50 | 859,261 | 7,020,000 | 154,680 | 618,720 | 17,267,981 | |
| 6/1/2020 | 391,700.00 | 391,700.00 | 214,815.50 | 644,446 | - | 154,680 | 464,040 | 16,898,486 | |
| 12/1/2020 | 7,966,700.00 | 391,700.00 | 214,815.50 | 429,630 | 7,575,000 | 154,680 | 309,360 | 8,953,990 | |
| 6/1/2021 | 205,375.00 | 205,375.00 | 214,815.50 | 214,815 | - | 154,680 | 154,680 | 8,584,495 | |
| 12/1/2021 | 8,420,375.00 | 205,375.00 | 214,814.85 | - | 8,215,000 | 154,680 | - | - | |
| | <u>\$ 50,601,693.33</u> | <u>\$ 14,576,693.33</u> | <u>\$ 4,940,755.85</u> | | <u>\$ 36,025,000</u> | <u>\$ 3,557,647</u> | | | |

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2012 BONDS
FOR THE YEAR ENDED AUGUST 31, 2017

| Date | 2012 Unlimited Tax General Obligation Refunding Bonds | | | | | | | |
|----------|---|---------------------|-------------------|---------------------|--------------------|--------------------------------|----------------------------------|---------------------|
| | Payment | Interest Expense | Premium Amortized | Unamortized Premium | Principal | Refunding Adjustment Amortized | Unamortized Refunding Adjustment | Bond Carrying Value |
| 06/01/12 | | | | 707,004 | - | | 1,108,516 | 11,105,520 |
| 12/01/12 | 287,667 | 152,667 | 33,667 | 673,337 | 135,000 | 52,787 | 1,055,729 | 10,884,066 |
| 06/01/13 | 133,356 | 133,356 | 33,667 | 639,670 | - | 52,787 | 1,002,942 | 10,797,612 |
| 12/01/13 | 233,356 | 133,356 | 33,667 | 606,003 | 100,000 | 52,787 | 950,155 | 10,611,158 |
| 06/01/14 | 132,356 | 132,356 | 33,667 | 572,337 | - | 52,787 | 897,368 | 10,524,705 |
| 12/01/14 | 232,356 | 132,356 | 33,667 | 538,670 | 100,000 | 52,787 | 844,581 | 10,338,251 |
| 06/01/15 | 131,356 | 131,356 | 33,667 | 505,003 | | 52,787 | 791,794 | 10,251,797 |
| 12/01/15 | 231,356 | 131,356 | 33,667 | 471,336 | 100,000 | 52,787 | 739,007 | 10,065,343 |
| 06/01/16 | 130,356 | 130,356 | 33,667 | 437,669 | - | 52,787 | 686,220 | 9,978,889 |
| 12/01/16 | 230,356 | 130,356 | 33,667 | 404,002 | 100,000 | 52,787 | 633,433 | 9,792,435 |
| 06/01/17 | 129,356 | 129,356 | 33,667 | 370,335 | | 52,787 | 580,646 | 9,705,981 |
| 12/01/17 | 229,356 | 129,356 | 33,667 | 336,669 | 100,000 | 52,786 | 527,860 | 9,519,529 |
| 06/01/18 | 128,356 | 128,356 | 33,667 | 303,002 | - | 52,786 | 475,074 | 9,433,076 |
| 12/01/18 | 228,356 | 128,356 | 33,667 | 269,335 | 100,000 | 52,786 | 422,288 | 9,246,623 |
| 06/01/19 | 127,356 | 127,356 | 33,667 | 235,668 | | 52,786 | 369,502 | 9,160,170 |
| 12/01/19 | 227,356 | 127,356 | 33,667 | 202,001 | 100,000 | 52,786 | 316,716 | 8,973,717 |
| 06/01/20 | 126,356 | 126,356 | 33,667 | 168,334 | - | 52,786 | 263,930 | 8,887,264 |
| 12/01/20 | 246,356 | 126,356 | 33,667 | 134,667 | 120,000 | 52,786 | 211,144 | 8,680,811 |
| 06/01/21 | 124,556 | 124,556 | 33,667 | 101,001 | - | 52,786 | 158,358 | 8,594,359 |
| 12/01/21 | 249,556 | 124,556 | 33,667 | 67,334 | 125,000 | 52,786 | 105,572 | 8,382,906 |
| 06/01/22 | 123,152 | 123,152 | 33,667 | 33,667 | - | 52,786 | 52,786 | 8,296,453 |
| 12/01/22 | 8,333,152 | 123,152 | 33,667 | - | 8,210,000 | 52,786 | - | - |
| | <u>\$12,015,779</u> | <u>\$ 2,725,779</u> | <u>\$ 707,004</u> | | <u>\$9,290,000</u> | <u>\$ 1,108,516</u> | | |

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2013 BONDS
FOR THE YEAR ENDED AUGUST 31, 2017

| Date | 2013 Unlimited Tax General Obligation and Refunding Bonds | | | | | | | Bond Carrying Value |
|----------|---|----------------------|---------------------|---------------------|----------------------|--------------------------------|----------------------------------|---------------------|
| | Payment | Interest Expense | Premium Amortized | Unamortized Premium | Principal | Refunding Adjustment Amortized | Unamortized Refunding Adjustment | |
| 01/08/13 | | | | 8,880,051 | | | 1,901,889 | 89,636,940 |
| 06/01/13 | 1,059,224 | 1,059,224.37 | 222,001 | 8,658,050 | | 47,547 | 1,854,342 | 89,367,391 |
| 12/01/13 | 7,862,988 | 1,477,987.50 | 222,001 | 8,436,048 | 6,385,000 | 47,547 | 1,806,795 | 82,712,843 |
| 06/01/14 | 1,382,213 | 1,382,212.50 | 222,001 | 8,214,047 | - | 47,547 | 1,759,247 | 82,443,294 |
| 12/01/14 | 3,087,213 | 1,382,212.50 | 222,001 | 7,992,046 | 1,705,000 | 47,547 | 1,711,700 | 80,468,746 |
| 06/01/15 | 1,356,638 | 1,356,637.50 | 222,001 | 7,770,045 | - | 47,547 | 1,664,153 | 80,199,197 |
| 12/01/15 | 1,926,638 | 1,356,637.50 | 222,001 | 7,548,043 | 570,000 | 47,547 | 1,616,606 | 79,359,649 |
| 06/01/16 | 1,348,088 | 1,348,087.50 | 222,001 | 7,326,042 | - | 47,547 | 1,569,058 | 79,090,100 |
| 12/01/16 | 4,653,088 | 1,348,087.50 | 222,001 | 7,104,041 | 3,305,000 | 47,547 | 1,521,511 | 75,515,552 |
| 06/01/17 | 1,298,513 | 1,298,512.50 | 222,001 | 6,882,039 | - | 47,547 | 1,473,964 | 75,246,003 |
| 12/01/17 | 3,983,513 | 1,298,512.50 | 222,001 | 6,660,038 | 2,685,000 | 47,547 | 1,426,417 | 72,291,455 |
| 06/01/18 | 1,258,238 | 1,258,237.50 | 222,001 | 6,438,037 | - | 47,547 | 1,378,869 | 72,021,906 |
| 12/01/18 | 3,743,238 | 1,258,237.50 | 222,001 | 6,216,035 | 2,485,000 | 47,547 | 1,331,322 | 69,267,358 |
| 06/01/19 | 1,220,963 | 1,220,962.50 | 222,001 | 5,994,034 | - | 47,547 | 1,283,775 | 68,997,809 |
| 12/01/19 | 2,520,963 | 1,220,962.50 | 222,001 | 5,772,033 | 1,300,000 | 47,547 | 1,236,228 | 67,428,261 |
| 06/01/20 | 1,208,400 | 1,208,400.00 | 222,001 | 5,550,032 | - | 47,547 | 1,188,681 | 67,158,712 |
| 12/01/20 | 3,958,400 | 1,208,400.00 | 222,001 | 5,328,030 | 2,750,000 | 47,547 | 1,141,133 | 64,139,164 |
| 06/01/21 | 1,153,400 | 1,153,400.00 | 222,001 | 5,106,029 | - | 47,547 | 1,093,586 | 63,869,615 |
| 12/01/21 | 3,318,400 | 1,153,400.00 | 222,001 | 4,884,028 | 2,165,000 | 47,547 | 1,046,039 | 61,435,066 |
| 06/01/22 | 1,110,100 | 1,110,100.00 | 222,001 | 4,662,026 | - | 47,547 | 998,492 | 61,165,518 |
| 12/01/22 | 3,420,100 | 1,110,100.00 | 222,001 | 4,440,025 | 2,310,000 | 47,547 | 950,944 | 58,585,969 |
| 06/01/23 | 1,063,900 | 1,063,900.00 | 222,001 | 4,218,024 | - | 47,547 | 903,397 | 58,316,421 |
| 12/01/23 | 11,343,900 | 1,063,900.00 | 222,001 | 3,996,022 | 10,280,000 | 47,547 | 855,850 | 47,766,872 |
| 06/01/24 | 858,300 | 858,300.00 | 222,001 | 3,774,021 | - | 47,547 | 808,303 | 47,497,324 |
| 12/01/24 | 10,938,300 | 858,300.00 | 222,001 | 3,552,020 | 10,080,000 | 47,547 | 760,755 | 37,147,775 |
| 06/01/25 | 656,700 | 656,700.00 | 222,001 | 3,330,019 | - | 47,547 | 713,208 | 36,878,227 |
| 12/01/25 | 7,216,700 | 656,700.00 | 222,001 | 3,108,017 | 6,560,000 | 47,547 | 665,661 | 30,048,678 |
| 06/01/26 | 525,500 | 525,500.00 | 222,001 | 2,886,016 | - | 47,547 | 618,114 | 29,779,130 |
| 12/01/26 | 6,840,500 | 525,500.00 | 222,001 | 2,664,015 | 6,315,000 | 47,547 | 570,567 | 23,194,581 |
| 06/01/27 | 399,200 | 399,200.00 | 222,001 | 2,442,013 | - | 47,547 | 523,019 | 22,925,033 |
| 12/01/27 | 6,414,200 | 399,200.00 | 222,001 | 2,220,012 | 6,015,000 | 47,547 | 475,472 | 16,640,484 |
| 06/01/28 | 278,900 | 278,900.00 | 222,001 | 1,998,011 | - | 47,547 | 427,925 | 16,370,936 |
| 12/01/28 | 5,563,900 | 278,900.00 | 222,001 | 1,776,009 | 5,285,000 | 47,547 | 380,378 | 10,816,387 |
| 06/01/29 | 173,200 | 173,200.00 | 222,001 | 1,554,008 | - | 47,547 | 332,830 | 10,546,839 |
| 12/01/29 | 2,773,200 | 173,200.00 | 222,001 | 1,332,007 | 2,600,000 | 47,547 | 285,283 | 7,677,290 |
| 06/01/30 | 121,200 | 121,200.00 | 222,001 | 1,110,006 | - | 47,547 | 237,736 | 7,407,741 |
| 12/01/30 | 2,461,200 | 121,200.00 | 222,001 | 888,004 | 2,340,000 | 47,547 | 190,189 | 4,798,193 |
| 06/01/31 | 74,400 | 74,400.00 | 222,001 | 666,003 | - | 47,547 | 142,641 | 4,528,644 |
| 12/01/31 | 2,109,400 | 74,400.00 | 222,001 | 444,002 | 2,035,000 | 47,547 | 95,094 | 2,224,096 |
| 06/01/32 | 33,700 | 33,700.00 | 222,001 | 222,000 | - | 47,547 | 47,547 | 1,954,547 |
| 12/01/32 | 1,718,700 | 33,700.00 | 222,000 | - | 1,685,000 | 47,547 | - | - |
| | <u>112,435,312</u> | <u>33,580,311.87</u> | <u>\$ 8,880,051</u> | | <u>\$ 78,855,000</u> | <u>\$ 1,901,889</u> | | |

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND DISCOUNT AND REFUNDING ADJUSTMENT
2014 BONDS
FOR THE YEAR ENDED AUGUST 31, 2017

| 2014 Unlimited Tax General Obligation and Refunding Bonds | | | | | | | | |
|--|-------------------|----------------------|---------------------|---------------------|----------------------|--------------------------------|----------------------------------|---------------------|
| Date | Payment | Interest Expense | Premium Amortized | Unamortized Premium | Principal | Refunding Adjustment Amortized | Unamortized Refunding Adjustment | Bond Carrying Value |
| 02/07/14 | | | | 5,244,996 | | | (20,189) | 48,779,807 |
| 06/01/14 | 587,670 | 587,670.00 | 131,125 | 5,113,871 | - | (505) | (19,684) | 48,649,186 |
| 12/01/14 | 5,177,900 | 927,900.00 | 131,125 | 4,982,746 | 4,250,000 | (505) | (19,180) | 44,268,566 |
| 06/01/15 | 906,650 | 906,650.00 | 131,125 | 4,851,621 | - | (505) | (18,675) | 44,137,946 |
| 12/01/15 | 2,851,650 | 906,650.00 | 131,125 | 4,720,496 | 1,945,000 | (505) | (18,170) | 42,062,326 |
| 06/01/16 | 877,475 | 877,475.00 | 131,125 | 4,589,371 | - | (505) | (17,665) | 41,931,706 |
| 12/01/16 | 4,217,475 | 877,475.00 | 131,125 | 4,458,246 | 3,340,000 | (505) | (17,161) | 38,461,085 |
| 06/01/17 | 811,175 | 811,175.00 | 131,125 | 4,327,121 | - | (505) | (16,656) | 38,330,465 |
| 12/01/17 | 2,641,175 | 811,175.00 | 131,125 | 4,195,996 | 1,830,000 | (505) | (16,151) | 36,369,845 |
| 06/01/18 | 797,450 | 797,450.00 | 131,125 | 4,064,871 | - | (505) | (15,646) | 36,239,225 |
| 12/01/18 | 2,257,450 | 797,450.00 | 131,125 | 3,933,747 | 1,460,000 | (505) | (15,142) | 34,648,605 |
| 06/01/19 | 768,250 | 768,250.00 | 131,125 | 3,802,622 | - | (505) | (14,637) | 34,517,985 |
| 12/01/19 | 2,793,250 | 768,250.00 | 131,125 | 3,671,497 | 2,025,000 | (505) | (14,132) | 32,362,364 |
| 06/01/20 | 717,625 | 717,625.00 | 131,125 | 3,540,372 | - | (505) | (13,628) | 32,231,744 |
| 12/01/20 | 717,625 | 717,625.00 | 131,125 | 3,409,247 | - | (505) | (13,123) | 32,101,124 |
| 06/01/21 | 717,625 | 717,625.00 | 131,125 | 3,278,122 | - | (505) | (12,618) | 31,970,504 |
| 12/01/21 | 2,147,625 | 717,625.00 | 131,125 | 3,146,997 | 1,430,000 | (505) | (12,113) | 30,409,884 |
| 06/01/22 | 681,875 | 681,875.00 | 131,125 | 3,015,872 | - | (505) | (11,609) | 30,279,264 |
| 12/01/22 | 1,914,875 | 681,875.00 | 131,125 | 2,884,747 | 1,230,000 | (505) | (11,104) | 28,918,643 |
| 06/01/23 | 651,125 | 651,125.00 | 131,125 | 2,753,622 | - | (505) | (10,599) | 28,788,023 |
| 12/01/23 | 1,681,125 | 651,125.00 | 131,125 | 2,622,498 | 1,030,000 | (505) | (10,095) | 27,627,403 |
| 06/01/24 | 625,375 | 625,375.00 | 131,125 | 2,491,373 | - | (505) | (9,590) | 27,496,783 |
| 12/01/24 | 1,400,375 | 625,375.00 | 131,125 | 2,360,248 | 775,000 | (505) | (9,085) | 26,591,163 |
| 06/01/25 | 606,000 | 606,000.00 | 131,125 | 2,229,123 | - | (505) | (8,580) | 26,460,542 |
| 12/01/25 | 4,336,000 | 606,000.00 | 131,125 | 2,097,998 | 3,730,000 | (505) | (8,076) | 22,599,922 |
| 06/01/26 | 512,750 | 512,750.00 | 131,125 | 1,966,873 | - | (505) | (7,571) | 22,469,302 |
| 12/01/26 | 3,837,750 | 512,750.00 | 131,125 | 1,835,748 | 3,325,000 | (505) | (7,066) | 19,013,682 |
| 06/01/27 | 429,625 | 429,625.00 | 131,125 | 1,704,623 | - | (505) | (6,561) | 18,883,062 |
| 12/01/27 | 3,274,625 | 429,625.00 | 131,125 | 1,573,498 | 2,845,000 | (505) | (6,057) | 15,907,442 |
| 06/01/28 | 358,500 | 358,500.00 | 131,125 | 1,442,373 | - | (505) | (5,552) | 15,776,821 |
| 12/01/28 | 3,018,500 | 358,500.00 | 131,125 | 1,311,249 | 2,660,000 | (505) | (5,047) | 12,986,201 |
| 06/01/29 | 292,000 | 292,000.00 | 131,125 | 1,180,124 | - | (505) | (4,543) | 12,855,581 |
| 12/01/29 | 4,567,000 | 292,000.00 | 131,125 | 1,048,999 | 4,275,000 | (505) | (4,038) | 8,449,961 |
| 06/01/30 | 185,125 | 185,125.00 | 131,125 | 917,874 | - | (505) | (3,533) | 8,319,341 |
| 12/01/30 | 3,505,125 | 185,125.00 | 131,125 | 786,749 | 3,320,000 | (505) | (3,028) | 4,868,721 |
| 06/01/31 | 102,125 | 102,125.00 | 131,125 | 655,624 | - | (505) | (2,524) | 4,738,100 |
| 12/01/31 | 2,332,125 | 102,125.00 | 131,125 | 524,499 | 2,230,000 | (505) | (2,019) | 2,377,480 |
| 06/01/32 | 46,375 | 46,375.00 | 131,125 | 393,374 | - | (505) | (1,514) | 2,246,860 |
| 12/01/32 | 1,036,375 | 46,375.00 | 131,125 | 262,249 | 990,000 | (505) | (1,009) | 1,126,240 |
| 06/01/33 | 21,625 | 21,625.00 | 131,125 | 131,124 | - | (505) | (505) | 995,620 |
| 12/01/33 | 886,625 | 21,625.00 | 131,125 | - | 865,000 | (505) | - | - |
| | <u>65,291,070</u> | <u>21,736,070.00</u> | <u>5,244,996.00</u> | | <u>\$ 43,555,000</u> | <u>\$ (20,189)</u> | | |

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM
2017 BONDS
FOR THE YEAR ENDED AUGUST 31, 2017

| Date | 2017 Unlimited Tax General Obligation Bonds | | | | | |
|----------|---|-------------------|---------------------|---------------------|----------------------|---------------------|
| | Payment | Interest Expense | Premium Amortized | Unamortized Premium | Principal | Bond Carrying Value |
| 01/24/17 | | | | 5,021,748 | | 95,556,748 |
| 06/01/17 | 1,252,220 | 1,252,220 | 125,544 | 4,896,204 | - | 95,431,204 |
| 12/01/17 | 10,269,800 | 1,774,800 | 125,544 | 4,770,661 | 8,495,000 | 86,810,661 |
| 06/01/18 | 1,647,375 | 1,647,375 | 125,544 | 4,645,117 | - | 86,685,117 |
| 12/01/18 | 10,432,375 | 1,647,375 | 125,544 | 4,519,573 | 8,785,000 | 77,774,573 |
| 06/01/19 | 1,471,675 | 1,471,675 | 125,544 | 4,394,029 | - | 77,649,029 |
| 12/01/19 | 3,381,675 | 1,471,675 | 125,544 | 4,268,486 | 1,910,000 | 75,613,486 |
| 06/01/20 | 1,433,475 | 1,433,475 | 125,544 | 4,142,942 | - | 75,487,942 |
| 12/01/20 | 3,673,475 | 1,433,475 | 125,544 | 4,017,398 | 2,240,000 | 73,122,398 |
| 06/01/21 | 1,377,475 | 1,377,475 | 125,544 | 3,891,855 | - | 72,996,855 |
| 12/01/21 | 2,177,475 | 1,377,475 | 125,544 | 3,766,311 | 800,000 | 72,071,311 |
| 06/01/22 | 1,368,475 | 1,368,475 | 125,544 | 3,640,767 | - | 71,945,767 |
| 12/01/22 | 1,368,475 | 1,368,475 | 125,544 | 3,515,224 | - | 71,820,224 |
| 06/01/23 | 1,368,475 | 1,368,475 | 125,544 | 3,389,680 | - | 71,694,680 |
| 12/01/23 | 1,843,475 | 1,368,475 | 125,544 | 3,264,136 | 475,000 | 71,094,136 |
| 06/01/24 | 1,356,600 | 1,356,600 | 125,544 | 3,138,592 | - | 70,968,592 |
| 12/01/24 | 1,356,600 | 1,356,600 | 125,544 | 3,013,049 | - | 70,843,049 |
| 06/01/25 | 1,356,600 | 1,356,600 | 125,544 | 2,887,505 | - | 70,717,505 |
| 12/01/25 | 1,356,600 | 1,356,600 | 125,544 | 2,761,961 | - | 70,591,961 |
| 06/01/26 | 1,356,600 | 1,356,600 | 125,544 | 2,636,418 | - | 70,466,418 |
| 12/01/26 | 1,856,600 | 1,356,600 | 125,544 | 2,510,874 | 500,000 | 69,840,874 |
| 06/01/27 | 1,346,600 | 1,346,600 | 125,544 | 2,385,330 | - | 69,715,330 |
| 12/01/27 | 2,346,600 | 1,346,600 | 125,544 | 2,259,787 | 1,000,000 | 68,589,787 |
| 06/01/28 | 1,326,600 | 1,326,600 | 125,544 | 2,134,243 | - | 68,464,243 |
| 12/01/28 | 2,326,600 | 1,326,600 | 125,544 | 2,008,699 | 1,000,000 | 67,338,699 |
| 06/01/29 | 1,306,600 | 1,306,600 | 125,544 | 1,883,155 | - | 67,213,155 |
| 12/01/29 | 3,076,600 | 1,306,600 | 125,544 | 1,757,612 | 1,770,000 | 65,317,612 |
| 06/01/30 | 1,271,200 | 1,271,200 | 125,544 | 1,632,068 | - | 65,192,068 |
| 12/01/30 | 6,071,200 | 1,271,200 | 125,544 | 1,506,524 | 4,800,000 | 60,266,524 |
| 06/01/31 | 1,175,200 | 1,175,200 | 125,544 | 1,380,981 | - | 60,140,981 |
| 12/01/31 | 13,175,200 | 1,175,200 | 125,544 | 1,255,437 | 12,000,000 | 48,015,437 |
| 06/01/32 | 935,200 | 935,200 | 125,544 | 1,129,893 | - | 47,889,893 |
| 12/01/32 | 15,435,200 | 935,200 | 125,544 | 1,004,350 | 14,500,000 | 33,264,350 |
| 06/01/33 | 645,200 | 645,200 | 125,544 | 878,806 | - | 33,138,806 |
| 12/01/33 | 16,645,200 | 645,200 | 125,544 | 753,262 | 16,000,000 | 17,013,262 |
| 06/01/34 | 325,200 | 325,200 | 125,544 | 627,718 | - | 16,887,718 |
| 12/01/34 | 5,325,200 | 325,200 | 125,544 | 502,175 | 5,000,000 | 11,762,175 |
| 06/01/35 | 225,200 | 225,200 | 125,544 | 376,631 | - | 11,636,631 |
| 12/01/35 | 5,665,200 | 225,200 | 125,544 | 251,087 | 5,440,000 | 6,071,087 |
| 06/01/36 | 116,400 | 116,400 | 125,544 | 125,544 | - | 5,945,544 |
| 12/01/36 | 5,936,400 | 116,400 | 125,544 | - | 5,820,000 | - |
| | <u>136,382,320</u> | <u>45,847,320</u> | <u>5,021,747.90</u> | | <u>\$ 90,535,000</u> | |